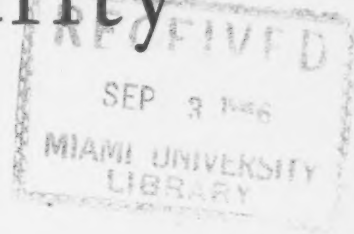


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# Social Security Bulletin



July 1946

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No. 7

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*The Appeals System in  
Old-Age and Survivors Insurance*

*Administrative Review in  
Federal-State Social Security Programs*

*Characteristics and Incomes of Families  
Assisted by Aid to Dependent Children*

*First Two Years of  
Social Insurance in Mexico*

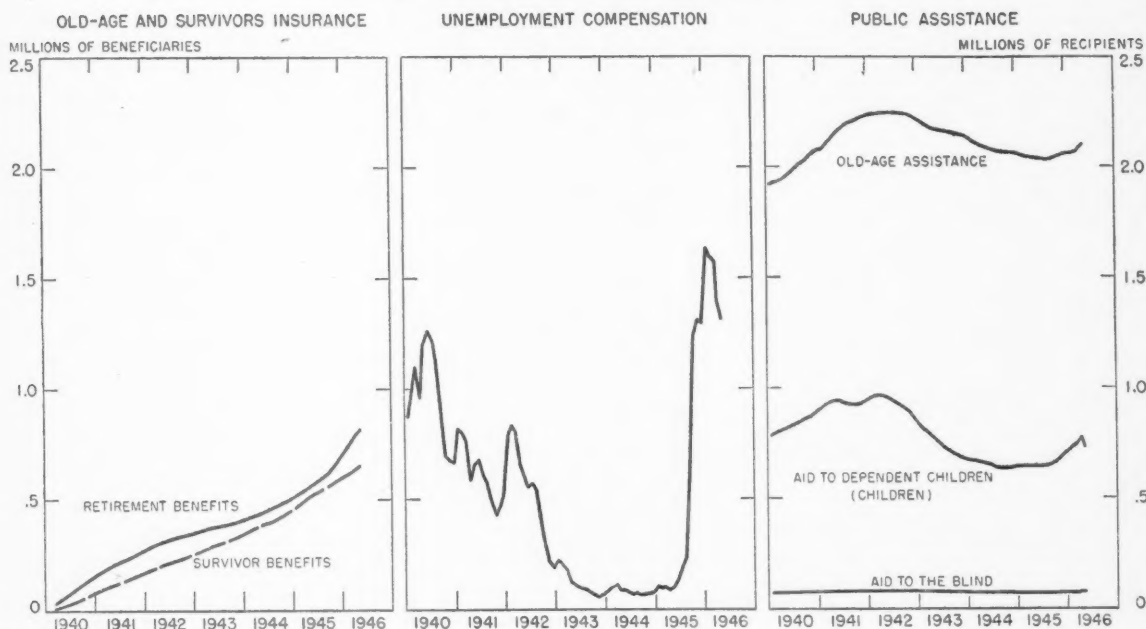
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SOCIAL SECURITY ADMINISTRATION

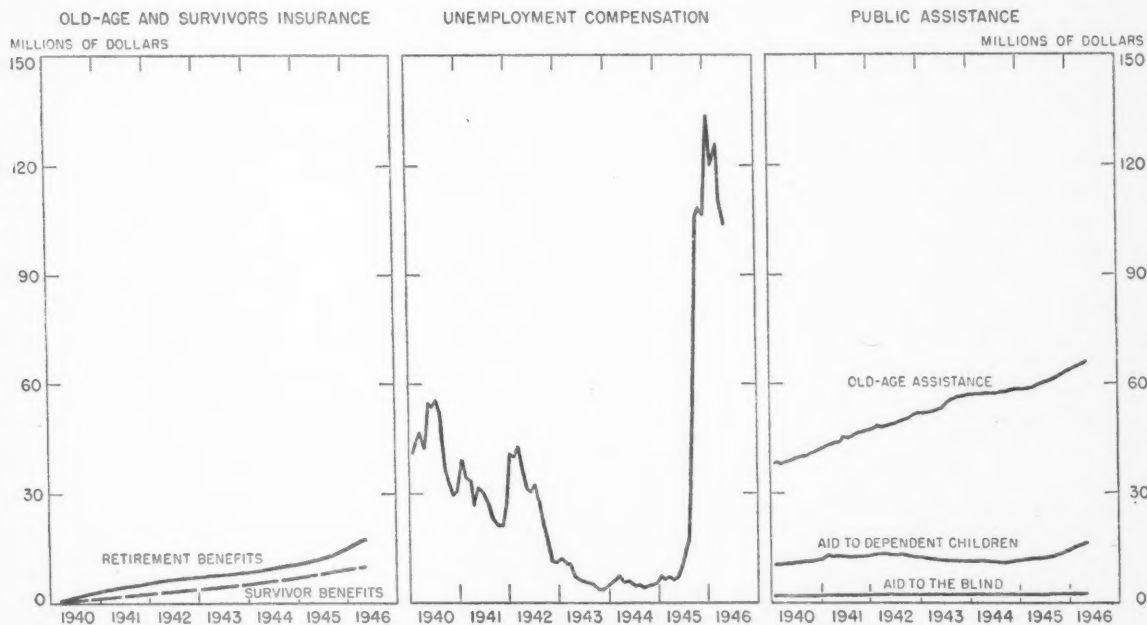
WASHINGTON, D. C.

# Social Security Operations\*

## INDIVIDUALS RECEIVING PAYMENTS



## SOCIAL SECURITY PAYMENTS



\* Old-age and survivors insurance, beneficiaries actually receiving benefits (current-payment status) and amount of their benefits during month; unemployment compensation, average weekly number of beneficiaries for the month and gross benefits paid during the month under all State laws; public assistance, recipients and payments under all State programs.

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# Social Security Bulletin

Volume 9

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## Social Security in Review

### The Social Security Administration

Reorganization of the Federal Security Agency under President Truman's Reorganization Plan No. 2 went into effect on July 16. The plan abolished the three-member Social Security Board and the U. S. Employees Compensation Commission and transferred their functions to the Agency, which also received by transfer the Children's Bureau—except those functions relating to child labor—from the Department of Labor, and the Division of Vital Statistics from the Department of Commerce.

In a statement issued July 16 Watson B. Miller, Federal Security Administrator, announced the establishment of the Social Security Administration as one of the four operating branches within the Agency, to administer the three programs for which the Social Security Board had responsibility under the Social Security Act—old-age and survivors insurance, unemployment insurance, and public assistance—and the activities of the Children's Bureau. Arthur J. Altmeyer, formerly Chairman of the Social Security Board, was appointed Commissioner for Social Security, and William L. Mitchell, formerly Assistant Executive Director, is Deputy Commissioner. A more detailed outline of organizational changes will be carried in the August BULLETIN.

Since the reorganization did not become effective until after this issue went to press, changes in terminology have not been carried through to either text or tabular material.

### The Labor Force in June

The labor market in June is usually dominated by seasonal factors; because of school vacations, 1.5 to 2.0 million boys and girls join the labor force and are absorbed by the seasonal demand for labor in agriculture, the service industries, and building construction. Since the seasonal increases in labor supply and demand tend usually to offset each other, there is no considerable seasonal rhythm in unemployment in June and changes in unemployment reflect the general

trend in business conditions during the month.

Reconversion progressed in June, but the repercussions of the coal strike and uncertainty about the future development of prices were responsible for the jerky and uneven expansion in individual industries. In comparing June statistics with those for the preceding month, the dislocations suffered by the economic system in May should be kept in mind. In fact, the index of industrial production reveals clearly the set-back in reconversion in May, and the increase of production in June marked, to a large extent the return of reconver-

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sion to its trend before it was slowed down and interrupted by strikes in April-May.

No inclusive data are yet available for industrial production in June. The progress of reconversion in this field in the first 5 months of 1946 is shown in the following figures.

Month of 1946	Index of industrial production (adjusted for seasonal variation, 1935-39=100)			
	Industrial production	Manufacturing production		
		Total	Durable goods	Non-durable goods
January	160	163	166	161
February	152	154	138	167
March	168	173	182	166
April	164	174	187	164
May	160	167	177	160

Employment in nonagricultural establishments in June was 200,000 above that in June 1945, but employment in manufactures and mines showed only slight gains from January to June.

Month of 1946	Employment (in millions of persons)			
	Nonagricultural establishments, total	Manufacturing and mining	Construction	Transportation, utilities, and trade
January	35.8	12.8	1.1	11.4
February	35.4	12.2	1.3	11.4
March	36.3	12.8	1.3	11.5
April	36.9	12.9	1.5	11.9
May	37.4	13.4	1.7	11.6
June	37.8	13.6	1.9	11.6

Expansion of economic activities in June is evidenced by the rise in freight-car loadings: 800,000 cars were loaded in the week ended March 16, 649,000 in the second week in April, 688,000 in the corresponding week in May, 880,000 in June. Similar progress was reported in output of steel and in building construction. Despite shortages of raw materials, residential building proceeded faster than experts had anticipated. The progress in the automobile industry was highly uneven: from 71,000 in the week ended May 11, the output of cars and trucks fell to 32,000 in the week ended June 1 and climbed back to 67,000 in the week of June 29.

All in all, reconversion was far from being completed by the end of June. Production of durable and semidurable goods was trailing the demand. The supply of agricultural products

was curtailed by heavy purchases for foreign countries. Black markets developed for meat, dairy products, automobiles, and building materials. The whole economic system, although gradually returning to normalcy, was still far from that goal.

These general conditions explain the recent developments in the labor market. The downward trend in unemployment of civilian workers continued, but improvement was slow and uneven. No appreciable improvement was recorded in employment of veterans.

Claims for benefits in industries covered by State unemployment insurance programs declined in the 5-week period ended June 29, mainly because of declining pressure of veterans on the labor market. Fewer civilian workers were displaced by ex-servicemen, and fewer had their jobs stopped because of labor disputes. The drop in the number of initial claims was followed by a similar drop in waiting-period claims. Compensable claims likewise went down but not at the same rate.

Week ended	Initial claims	Waiting-period claims	Compensable claims
May 25	338,742	157,048	1,382,389
June 1	196,861	113,458	1,344,543
June 8	238,008	99,830	1,336,804
June 15	187,898	150,496	1,253,144
June 22	167,616	129,236	1,274,981
June 29	161,583	101,257	1,201,940

The total number of continued claims (waiting-period and compensable) fell from 1,539,437 in the week ended May 25 to 1,335,297 in the week ended June 29, a decline of 13 percent in a 5-week period. The decrease in the number of continued claims was unevenly distributed by regions and among the States. Unemployment was rising in New York; only slight improvement was reported in New England, New Jersey, Illinois, and Michigan; more spectacular was the progress in the Pacific States, in Ohio, and especially in Pennsylvania. The deep cut in unemployment in Pennsylvania is explained by the fact that at the end of May unemployment in this State was bolstered by the labor dispute in coal mining. Comparable June figures for the 10 States with the largest number of continued claims in the week ended May 25 are as follows:

State	Continued claims in the week ended—	
	May 25	June 29
Pennsylvania	231,224	122,586
California	174,271	152,729
New York	165,996	214,519
Michigan	124,031	97,993
Illinois	107,781	95,225
Ohio	76,800	57,297
New Jersey	69,079	60,970
Massachusetts	58,949	57,653
Washington	41,415	30,611
Missouri	37,017	33,671

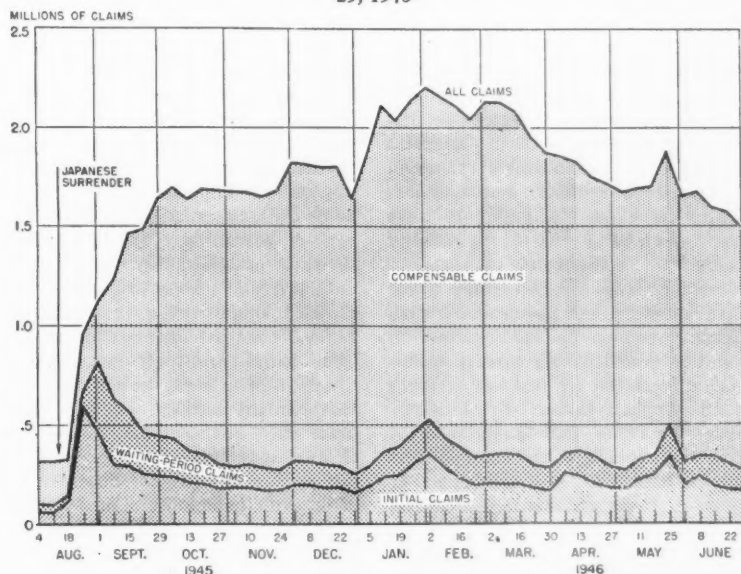
In contrast to the decline in numbers of claimants under State unemployment insurance laws, the number of veterans claiming unemployment allowances showed a slight increase in June. From 1,783,000 in the week ended May 25 the figure increased to 1,800,000 in the week of June 22.

Commenting on the difference between the estimate of unemployed veterans based on claims for unemployment allowances and the estimate prepared by the Bureau of the Census, the Research Service of Coordination and Planning in the Veterans Administration pointed out the difference in concepts of unemployment. It then went on to say, "It should not be denied that a part of the difference between the two unemployment estimates may be traced to a certain liberality in the administration of the program for veterans in the interest of guaranteeing that a veteran is not obliged by economic necessity to accept employment before he has had a reasonable amount of time to 'shop around' for the best available job."

### May in Review

Despite the slow-down in production during May and the effects of actual or impending labor disputes, unemployment covered by State unemployment insurance programs continued to decline. It was only 5.2 percent of average monthly covered employment in 1945, as against 5.6 percent in April and 6.8 percent in March. Fewer continued claims were filed in the country as a whole than in April. A rise in the total number of initial claims was largely due to administrative factors, chiefly the filing of "transitional claims" in New York to establish benefit rights in the new benefit year beginning in June. The average weekly number of benefici-

Weekly number of claimants for unemployment benefits, August 4, 1945-June 29, 1946



aries went down for the fourth consecutive month, and benefit disbursements dropped to \$103.9 million—the smallest total since September though nearly \$100 million more than in May 1945.

IN OLD-AGE AND SURVIVORS insurance, more monthly benefits were awarded in May than in any previous month. The number of awards increased for each type of benefit but parent's, while widow's benefits showed the greatest relative increase. Despite the large volume of awards, the number of benefits in current-payment status increased less, proportionately, than in any month since August. Almost 1.5 million beneficiaries received current payments during May at a monthly rate of more than \$27.6 million.

IN PUBLIC ASSISTANCE the number of recipients rose slightly in May in all programs but general assistance, in which the number declined for the second successive month. Reports from large cities indicate that the downturn may be temporary. Half of the decrease in May was caused by

a drop in the Michigan case load, which had risen earlier as a result of the labor dispute in the automobile industry. General assistance payments in the country as a whole also declined slightly in May, but the other three programs all showed increases, to bring total payments for the month to \$94.2 million. A year earlier the total amount expended was \$80.9 million.

#### Health and Welfare Programs for Mine Workers

Provisions for health and welfare programs for workers in the mining industry were included in two recent agreements entered into with the United Mine Workers of America—one signed on May 27 for the bituminous-coal industry by the Secretary of the Interior, acting as Coal Mines Administrator, and the other signed June 7 by the anthracite operators.

The program for the bituminous-coal miners sets up two funds—a welfare and retirement fund and a medical and hospital fund. The welfare and retirement fund will be used to compensate miners and their depend-

ents or survivors for wage loss arising from sickness, death, or retirement, if the wage loss is "not otherwise compensated at all or adequately under the provisions of Federal or State law." The fund may also be used for other related welfare purposes, as determined by the trustees. This fund is to be financed by a levy of five cents on each ton of bituminous coal produced and is to be managed by three trustees—one chosen by the Coal Mines Administrator, one appointed by the President of the United Mine Workers, and the third chosen jointly by the other two. Payments by the operating managers into the fund were to become effective with reference to coal produced on and after June 1.

The second fund, to provide or arrange for medical, hospital, and related services for soft-coal miners and their dependents, is to be administered by trustees appointed by the President of the United Mine Workers. It is to be built up from wage deductions now being made for such purposes or those authorized in the future by the Union and its members.

The agreement also stipulates that the trustees of the two funds shall cooperate in and coordinate the development of policies and working agreements so that each fund may operate effectively and each may, to the maximum degree possible, complement the other.

The Coal Mines Administrator also undertakes, under the agreement, to direct each operating manager to provide its employees with the protection and benefits of the workmen's compensation and occupational disease laws, whether compulsory or elective, existing in the States in which the workers are employed.

The health and welfare fund for workers in the anthracite-mining industry is to be financed by a levy of five cents on each ton of anthracite produced. This fund is to be managed by three trustees—two appointed by the President of the United Mine Workers of America and one by the anthracite operators. Payments by the operators into the fund were to become effective as of June 1.

## The Appeals System in Old-Age and Survivors Insurance

By Ernest R. Burton\*

EARLY IN 1940, when the appeals system in old-age and survivors insurance was established, it was estimated that from 5,000 to 20,000 claimants a year would ask for hearings on their disallowed claims. Actually, however, the number of requests for hearings has averaged slightly less than 1,000 a year, the highest number being 1,307 in the fiscal year 1944-45. Compared with benefit applications received by the Bureau of Old-Age and Survivors Insurance, requests for hearing arising from benefit adjudications with which claimants disagree is almost negligible—not more than one-fifth of 1 percent in any year and only one-seventh of 1 percent in 1944-45. Even in relation to the number of disallowed claims, which have ranged from about 6 to nearly 9 percent of all claims filed, requests for hearings have never exceeded 3 percent.

When it is considered that only one in three of the cases in which hearings are held results in a final decision which changes in any way the previous determination of the Bureau, these questions naturally occur: Is the expense of an appeals system justified? Does it perform a necessary or important function?

### *The Function of an Appeals System*

Operation of the appeals system over a period of nearly 6 years<sup>1</sup> indicates that its function is vital and essential. The Office of the Appeals Council, that arm of the Board responsible for administering the appeals system, conducts its work quietly, without fanfare and without newspaper headlines or radio publicity. Of the 72 million individuals who have acquired wage credits under the program since 1936, only an infinitesimal fraction is aware of the appeals system. Although every award certificate as well as every disallowance letter sent to a claimant notifies

him of his right to appeal if he disagrees in any way with the Bureau's action, it is evident that very few of the nearly 3 million persons whose claims have been adjudicated have ever given the matter a second thought. Yet thousands of actual or potential claimants, who may never have sought hearings or even filed claims have nevertheless benefited, or stand to benefit, from precedent decisions rendered by hearing referees or the Appeals Council in cases appealed by other individuals who, in most instances, are the only persons directly affected. Not all precedent decisions favor claimants, of course, but they all serve to clarify, for future application, the principles defining or governing claimants' rights under the Social Security Act. In this way and in others, the appeals system has made an important contribution to the efficient administration of the insurance program.

Like every other large-scale undertaking dealing with the public, social insurance has some dissatisfied customers. As in private business also, some of the dissatisfaction is groundless, either wholly imaginary in its origin or perhaps with no basis other than an attempt to get more than one's due. On the other hand, some of it results from misunderstanding or negligence, often on the part of claimants themselves, sometimes on that of persons representing the Government agency. Just as private enterprises, motivated by considerations of good will or expediency, have found it good business to set up special departments to hear the complaints of the dissatisfied few and to make suitable adjustments, so, also, a Government agency responsible for processing a large number of benefit claims finds that it must maintain a specialized unit, operating under definite procedures, to hear complaints and to make final decisions. Without such a unit, either its regular staff of adjudicators must become overburdened and slowed down by irregular, exceptional cases or the whole insurance program is likely to become discred-

ited by the public clamor of a few contentious claimants whose complaints are ignored.

Efficient administration, then, requires courteous, prompt, and adequate consideration of every expressed grievance. But underneath this practical reason for establishing hearings in disputed claims lies a categorical imperative implanted deep in our democratic tradition. Under our concept of government, its agencies are servants of the citizens, not private enterprises at liberty to please or displease their patrons as may suit their fancy. They are engaged in the public's business, not their own. The individuals who seek the services of a Government agency, or who claim particular benefits which that agency is created to furnish, either do or do not possess a *right* to those services or benefits, depending upon what criteria the citizenry, acting through its legislators and courts of law, has adopted for determining the matter.

The agency, of course, must decide whether, under the facts of each specific case and the authorized interpretations of applicable law, the individual is entitled to what he claims. Exercise of judgment in such respects, however, does not imply authority either to act capriciously or to operate in a wholesale, mass-production fashion which prevents proper discrimination between cases exhibiting significant differences. The criteria inherent in the program as legally established must govern each determination, not the whim or personal opinion of the agency's staff, however well-intentioned. This objective requires that actions be based on both a full knowledge of all relevant facts and an understanding of the governing legal principles. It also demands the adoption of appropriate special devices to ensure adequate analysis of any case which involves an unusual factual situation or which raises a legal issue rarely confronted; and, we may add as a corollary, any claimant who *thinks* his case is unusual—even if all indications are that it is not—should be assured, if he so requests, that it will be processed in the special manner established for determining unusual cases.

The hearing system in old-age and survivors insurance is such a special device. The fact that two-thirds of

\* Member of the Appeals Council, Social Security Board.

<sup>1</sup> For earlier discussions of the system and its operation see the *Bulletin*, July 1940, pp. 21-24, and August 1941, pp. 18-23.



the cases heard are found by the hearing referees or the Appeals Council not to warrant any change in the Bureau's initial determinations suggests that approximately that proportion of the requests for hearing may not involve "unusual" circumstances. In such cases, it may be argued, hearings are not needed to ascertain facts or clarify legal issues. But appraisal of a hearing system on that basis alone overlooks the fact that making hearings available to all claimants who want them—after the ordinary handling of their claims has resulted in determinations which they think incorrect—gives claimants and the public at large that assurance of fair play which a democratic people demands. Whatever one's opinion regarding the broad allegation that government bureaucracy sometimes tramples roughshod over the sacred rights of individuals, this generalization clearly does not apply to an agency which encourages everyone with whom it deals to question any action it takes affecting him and to seek determination of any disputed matter by an independent authority. Such, from its inception, has been the animating spirit of the Social Security Board's appeals system.

### *Establishing the Appeals System*

The Social Security Act of 1935 had no requirement that a dissatisfied benefit claimant be given a hearing. The Board could have treated the disallowance of claims by adjudicators in the Bureau of Old-Age and Survivors Insurance as final; and it is at least debatable whether aggrieved claimants could have obtained judicial review of such determinations. As early as April 1936, however, the Board's staff set to work to devise procedures which would guarantee every dissatisfied claimant an opportunity for a "fair hearing," with the full safeguarding of his rights which that term connotes in American jurisprudence. When the drafters of the 1939 amendments developed the provision establishing that assurance as a matter of statutory right, the Board was therefore in full accord with the proposal.<sup>2</sup>

For several months before the new

statute was enacted, a special research staff within the Bureau, working under the direction of a consulting expert on administrative law<sup>3</sup> and in close cooperation with the Office of the General Counsel of the Federal Security Agency, studied the appeals procedures and experience of comparable Federal and State agencies and of various foreign social insurance systems. This staff also analyzed the anticipated subject matter of appeals under the program and developed a tentative statement of principles and an outline of organization and procedures considered necessary to implement a fair-hearing mandate. The ensuing report of the Bureau was subjected to critical study and comment by several groups and individuals outside the Board, including the social security committees of the American Federation of Labor, the Congress of Industrial Organizations, and the Business Advisory Council of the Department of Commerce; the late Abraham Epstein, executive secretary of the American Association for Social Security; and Edwin E. Witte, who had served as executive director of the President's Committee on Economic Security before the Social Security Act became law.

This extensive study and consideration culminated, in December 1939, in the Board's adoption of 14 basic provisions for the hearing and review of old-age and survivors insurance claims. In February 1940 the Board established the Office of the Appeals Council, responsible directly to the Board and wholly independent of the Bureau of Old-Age and Survivors Insurance. Its personnel comprised 12 regional hearing referees, a council of 3 members to sit in Washington and, in certain circumstances, review referees' decisions, a consulting referee to serve as legal adviser to the hearing referees, and the necessary technical and clerical assistants. An intensive course of training for this personnel was inaugurated, and detailed regulations governing the procedures to be applied in the new appeals system were drafted. To the Appeals Council the Board delegated authority to make final decisions,

subject only to judicial review in the United States courts,<sup>4</sup> as provided by law. The first requests for hearing were received in July 1940, about 3 months after the Bureau had issued a large number of disallowances of claims on which its action has been pending for several months.

### *Availability of Hearings*

Under the Board's regulations a claimant is allowed 6 months from the date of the Bureau's determination in which to file a hearing request, but most requests are filed within 3 months. The few received after the 6-month period are, as a rule, accepted by referees because extenuating circumstances are found responsible for the delay. Many of the dissatisfied claimants elect to ask the Bureau to reconsider its determinations before they seek the somewhat more formal process of a hearing. This procedure reduces substantially the number of hearings, since the Bureau, upon reconsideration, is often able to reverse its previous actions, generally because of the additional evidence which the claimants submit, or, if a reversal is not possible, to make a further explanation to the claimant which frequently convinces him that its action was correct.

Hearings are available, after an initial determination by the Bureau, when claimants are dissatisfied with the action taken on their claims for monthly benefits or for a lump-sum death payment; when dissatisfaction arises over the Bureau's action in temporarily suspending benefit payments under the "work clause" or some other section of the act requiring such action; and also when young workers who, although ineligible for benefits, have asked for a check of their social security account to make sure they have credit for all their taxable wages—on which their future benefits or those of their survivors depend—disagree with the Bureau's statement of their wage credits. The last group has never constituted as much as 2 percent of the claimants requesting hearings.

Genuine availability of hearings has been one of the primary objectives of the Board's appeals policy. The act of requesting a hearing has been made very simple. The only requirement is

<sup>2</sup> From the beginning the Social Security Act has provided for fair hearings under State laws in both the unemployment insurance and the public assistance programs.

<sup>3</sup> Ralph F. Fuchs, then professor of law at Washington University, St. Louis, Mo., and a member of the Attorney General's Committee on Administrative Procedure.

that the request be in writing, either signed by the claimant or bearing his mark, and that it be filed with some office of the Board, whether a field office, an itinerant station visited perhaps once in 2 weeks by a Board representative, or the Board's headquarters in Washington. While a special "request for hearing" form is provided, it need not be used, and some requests are written almost illegibly on scrap paper or penny post cards. No reason for the request, or grounds for the claimant's disagreement with the determination, need be stated.

If the claimant expresses a preference as to the time or place for the hearing, an effort is made to comply with it. In nearly every case the hearing is held within the county of the claimant's residence, often in the town or village where he lives, sometimes in his home. This policy of trying to suit the convenience of claimants by holding hearings as near to their homes as practicable means that the referees must be traveling officials, not judges who hold court only in their established forums. One of the referees, located in New York City, is kept almost continuously busy with hearings held in his office, but all other referees are circuit riders, moving about their regions, which in each instance cover several States. In a recent typical month the total mileage of all referees was 16,000, or an average of almost 1,500 miles per referee; the referee with the largest region to cover traveled 3,500 miles. Since a reporter accompanies each referee, to record the testimony taken at the hearing, the actual mileage of Board employees occasioned by hearings is at least double that of the referees; occasionally one or more field office employees attend as witnesses.

Ordinarily a hearing is held in the local post office in a room assigned by the postmaster, in a court room in the county building or the city hall, or in some other public building, such as a school or library. Because of unusual circumstances, however, hearings have been held in many other places. Among the less conventional have been the living room, kitchen, bedroom, or front porch of a private home, a doctor's office, a county jail, a Federal penitentiary, hospitals, a municipal bath house, a post-office lobby

(on a holiday when all other rooms were locked and villagers, coming to open their mail boxes, passed in and out during the hearing), in an abandoned one-room school house (with boards stretched across sawhorses to form a table and upturned kegs for chairs), in an automobile parked outside a chicken house (which the claimant was cleaning when the referee arrived), in the back room of a saloon (the only place in town where there was an available table), at the mouth of a coal mine, and in a cabin in the heart of an Idaho mountain forest, 17 miles from the nearest settlement.

"Availability" of a hearing is more than a matter of mere convenience of location. Unless hearings entail little or no expense to claimants and unless the parties to a hearing actually understand what it is all about, so that they can answer intelligently the referee's questions and proffer any relevant evidence they may have of which he is unaware, the advantages of a hearing have not been made truly available to them. No hearing costs are assessed against claimants. Their only expenses are for their local transportation to the hearing, loss of a day's wages in some cases, a nominal charge sometimes made for a certified copy of a marriage or birth certificate or some other essential document, and occasionally a lawyer's fee. Under the Board's regulations an attorney is not permitted to charge a claimant more than \$10 unless a larger fee is specifically approved, upon the attorney's request, by the referee or the Appeals Council. Attorneys have represented parties in about one-sixth of the hearings held, and in very few cases has authorization of a fee in excess of \$10 been requested. When a higher fee has been sought, approval has seldom been given to a charge of more than \$50. The Board, of course, assumes no obligation to assist a lawyer in collecting the fee authorized, leaving the matter wholly to the attorney and his client. By placing a ceiling on such a fee, however, and by notifying the claimant of the limit approved, the action of the referee or the Appeals Council tends to restrain any unscrupulous members of the bar from trying to develop a lucrative practice as social security specialists.

### *The Hearing Itself*

To prepare a claimant adequately for intelligent participation in a hearing requires a process which begins with his first contact with the field office. Some cases reach the hearing stage simply because the explanations given by field offices fail, for one reason or another, to make claimants understand just what facts must be established or what sort of evidence will establish them, or the legal significance of the facts which the undisputed evidence has established. In some of these cases, moreover, neither the hearing nor the referee's decision clears up the claimant's mental foggy, and he appeals to the Appeals Council and perhaps finally to the courts. Such instances are infrequent, however, and an analysis of the great majority of hearing cases probably would reveal that, before they seek a hearing, claimants generally are reasonably well informed regarding the issues and the kind of evidence they will be called on to furnish or to assist the referee in obtaining. That they are adequately informed is principally due to the care with which the Bureau states in its notices of disallowance actions the reasons underlying the unfavorable determinations, or, when there is an award with which the claimant disagrees as to some particular, explains the situation in conference or by letter.

There are other cases, however, in which the referee, after studying the claim file, deems it advisable to write the claimant before the hearing, apprising him of the exact issue and suggesting what witnesses or documentary evidence may be needed. In all cases, moreover, the referee opens the hearing by reciting—in nontechnical language, unless the claimant is absent and is represented by counsel—the procedural history and relevant facts as then shown by the claim file, and stating clearly the issues to be decided. The claimant or his representative then has an opportunity to examine all the documents in the claim file which the referee wishes to introduce as exhibits and to object to the inclusion of any of them.

*No "trial" and no prosecutor.*—As the hearing proceeds and the testimony of the claimant and other witnesses is taken, it is generally quite

apparent that this is not a "trial" in which the claimant and the Government are adversaries. While opposing interests occasionally appear, particularly in connection with survivors' claims, which require proof of the claimant's relationship to the wage earner—something which may be disputed by rival pretenders to the title of "widow" or "child," for example—in most cases no one is opposing the claimant's claim, nor can anyone be injured by its allowance. In all cases which are decided in favor of the claimants, however, the facts showing that they meet every statutory requirement for entitlement must be established in the record. This may require reconciliation of apparent conflicts in the evidence to separate the spurious from the true, or the drawing of reasonable inferences from evidence which is not conclusive. Sometimes it may call for careful analysis of undisputed facts to determine their legal significance, particularly in a "mixed question of fact and law"—such as often arises when the outcome turns on whether children are legitimate, whether they were equitably adopted, or whether an alleged marriage was valid—but not infrequently when the question is purely legal and depends on the interpretation of the Social Security Act, the Board's regulations, or some other law, either Federal or State.

In only one type of case is the claimant likely to regard himself as "on trial" and the Government as the accuser and, hence, his adversary. This is a case involving "additional deductions" from a claimant's monthly benefits, which the Board is required under the act to impose when a claimant, "having knowledge thereof," has failed to report promptly to the Board an "event" (such as earnings of \$15 or more in a month in covered employment or the failure of a child to attend school) which would have necessitated temporary suspension of his benefits. Even in such instances, however, the hearing is very different from a trial at which the Government's "side" is presented and argued by a prosecutor. Although a Bureau official sometimes testifies as to what he told the claimant about his obligation to make such reports, no such official appears in the role of either a prosecutor or an

advocate supporting the Bureau's administrative action. The question before the referee is one of fact as to whether, under the very liberal interpretation of the phrase approved by the Board, the claimant did "have knowledge" both of the critical "event" and of his duty to report it. Such a case calls for skillful and conscientious use of those methods of fact-finding which are peculiar to a fair hearing and which, in some instances, are superior to the methods available to a field office. Among them are the art of examining witnesses to bring out all of the relevant circumstances, a careful appraisal of the demeanor of witnesses, and a completely unbiased attitude, free from any inclination to presume that the previous administrative action is correct or to give the claimant the "benefit of the doubt" without making every reasonable effort to remove all doubts.

The peculiar merits of the hearing process in this special class of cases apply, in a large measure, to all hearings, and especially those in which the facts are complex and those in which the governing legal principles, in view of the paucity of definitive court decisions interpreting the Social Security Act or other legislation having comparable purposes, are not altogether certain. The use of oral questions to obtain answers given under oath has at times revealed the weakness of standardized questionnaires contrived with the more usual factual possibilities in mind. It has also shown that staff reports of interviews and affidavits intended to condense into manageable size the relevant information furnished by witnesses are not always reliable.

*The major issues appealed.*—Approximately three-fourths or more of the hearings each year relate to claims for monthly benefits or lump-sum death payments. Most of these grow out of disallowances, but a few result from dissatisfaction with the size of the benefit or lump-sum awarded or with the effective date of the award. During the war years, hearings on benefit suspensions increased disproportionately to hearings on benefit claims; in the fiscal year 1944-45 they comprised 26 percent of all hearings requested or twice the proportion in

any previous year. That this high proportion did not result from a marked increase in suspension actions, as might be supposed, is indicated by the fact that, although there were 12,000 more of such actions in 1945 than in 1944, the ratio of suspension actions to the number of claimants on the benefit rolls in 1945 was the lowest since payment of monthly benefits began. Suspensions, although considered unfair by some beneficiaries, are not a serious cause of dissatisfaction, for the hearing requests arising from such suspensions in 1945 represented less than one-fourth of 1 percent of the number of suspensions ordered by the Bureau.

The explanation for the high proportion of hearings involving suspensions in 1945 is probably to be found in the decrease in the ratio of hearing requests on claims to the number of benefit claims disallowed. From 3 percent in 1941, the ratio has declined each year, to 1.7 percent in 1945. In other words, year after year a diminishing proportion of the persons filing claims have shown, by requesting hearings to rectify alleged injustices, that they felt the determinations of the Bureau were either in disregard of the facts or contrary to law. If this decline in the relative number of claims carried to the hearing stage had been paralleled by a declining proportion of claims disallowed, it might be supposed that the Bureau had gradually become "soft" or "liberal" in its consideration of claims; but during these same years there was an increase in the percentage of total claims disallowed, from 6.3 percent in 1941 to 8.0 percent in 1945.

The greater apparent satisfaction of claimants is due, probably, to the greater care given by the Bureau, especially in field offices, to completing the factual development of applications and to the staff's clearer understanding of the multifarious legal angles which arise. These improvements are largely the natural outcome of experience in handling the increasing variety of cases; in considerable measure also, I think, they have resulted from the operation of the appeals system.

### *The Appeals Council*

The Office of the Appeals Council is housed in no ivory tower. Without



impairing its judicial integrity, it has kept informed on the administrative problems which confront the Bureau in handling a large volume of claims and has cooperated in developing consistent principles of adjudication. Though not on the firing line, it is in constant communication with the front-line forces of the Bureau and with the logistics staff of the Federal Security Agency's Office of the General Counsel, which advises both the Bureau and the Appeals Council on legal issues involved in the program.

As questions arise regarding the proper interpretation of the act or regulations, or concerning State law applicable to certain issues, the representatives of the Bureau, the Appeals Council, and the Office of the General Counsel confer so that the appropriate principles will be uniformly applied whether in adjudications by the Bureau or in decisions of the referees or the Appeals Council. When these three offices find that they cannot reach complete agreement, and particularly if legal considerations permit alternative treatments and thus raise a question as to the wisest policy, the matter is submitted to the Board for decision. While the questions presented to the Board have usually arisen in connection with one or more specific claims pending before the Bureau, the referees, or the Appeals Council, the Board has not undertaken to decide the particular cases; it has concerned itself solely with determining principles to be applied or policy to be adopted in the interest of the social insurance program and its underlying purposes.

### *The Board's Function*

During the first 5 years of the appeals system's operation, 59 distinct substantive questions, an average of one a month, were submitted to the Board—40 initiated by the Bureau, 15 by the Appeals Council, and 4 by the Office of the General Counsel. This number does not include the many problems concerned with operating procedures or with technical amendments of the regulations which were needed to conform them to provisions in statutes relating primarily to programs administered by other agencies but affecting some part of the

Board's operations. It also excludes several supplemental submissions designed to give the Board, before it took final action, more complete analyses of the problems presented or raising subsidiary questions growing out of new types of cases and not fully or explicitly covered by the Board's actions on the original questions.

That so many of these questions took shape during the consideration of appealed claims, although such claims are only a trivial fraction of all claims disallowed, is an indication of the contribution which an appeals system can make to efficient and equitable administration. An adjudicative staff, handling many thousands of claims every month, must classify them according to categories which, at certain points, are not sufficiently flexible to accommodate every minor factual variation. An appeals system serves to screen out the cases presenting the more unusual of these variants and thus may bring to light exceptional situations which could not be foreseen when the act, the Board's interpretative regulations, or the adjudicators' detailed instructions were written.

Such cases raise the question whether, on the one hand, under the rules of statutory construction, it is possible to hold the claimants' contentions valid, or whether, on the other hand, the Board—when the matter is within the limits of its discretionary power—should, as a matter of policy and giving due weight to administrative feasibility, allow such claims. These are the same types of questions as those which confronted the drafters of the act, the regulations, and the adjudicators' instructions, but they relate to narrower areas about which "reasonable men" may well hold conflicting opinions, or about which there may be some uncertainty even when the considered opinions of Bureau officials, the Appeals Council, and the legal staff of the Agency are in substantial agreement. By presenting such questions to the Board, definitive answers are recorded in the Board's minutes, which then become authoritative directives to the Bureau and the Appeals Council, modifying or amplifying previous directions contained in

the regulations and adjudicators' instructions. In some instances the question can be answered properly only by amending the Board's regulations, but generally an interpretation of existing regulations has sufficed.

Written submissions to the Board, setting forth the problems which incite these questions, with illustrative examples and analyses of legal or administrative aspects, may be prepared by any of the three offices, but they are always cleared with the other two, which append their concurring or dissenting views on any recommendation the submitting office has seen fit to make. When a submission has originated with the Appeals Council or the Office of the General Counsel, the Bureau, drawing upon its much greater fund of cases and sometimes making an extensive sampling survey to guide it in formulating its opinion, has often amplified the presentation by adding variant examples involving the particular question at issue. In considering such a submission, therefore, the Board has before it one or possibly several concrete cases with an analysis showing how each of the varying interpretations of the specific language of some section of the act or of the regulations would produce differing results. Representatives of the three offices attend the Board meeting at which a submission is considered and participate in the discussion which precedes action on the question presented.

By means of this orderly process, governing principles are continually refined to meet realistically the requirements of efficient administration. From one standpoint this result is a byproduct of an appeals system intended primarily to assure fair treatment in individual cases. From another, however, it fully justifies an appeals system as one of the means of improving the administration of the insurance program as a whole.

### *The Appeals Process v. Civil Action*

A possible alternative to our administrative appeals system would be a provision enabling any claimant who was dissatisfied with the Bureau's determination to appeal directly to the courts. In support of such a pro-

vision it might be argued that under an administrative appeals system, even though its quasi-judicial personnel is administratively independent of the initial adjudicating authority, final decisions are much too likely to become a mere rubber stamp of the initial actions. It may be thought that there is some basis for this conclusion in the fact that both the original and final actions are taken by subdivisions of the same agency, and that there is a strong tendency within any agency making for uniformity. This conclusion assumes, also, that the courts, being under no obligation to follow instructions of an executive superior and governed solely by judicial precedent and established principles developed through generations for the protection of individual rights, will more often accord each claimant the full measure of what Congress intended that he should receive.

One answer to this proposal is that the anticipated cost of prosecuting a civil action in the courts, in view of the small amounts involved, might deter many claimants from such recourse. Moreover, if direct court appeal were made available to claimants under all other Federal programs, as well as to those applying for benefits under the Social Security Act, and if any appreciable number of claimants should seek judicial determination of their rights, the courts might become so overburdened as to cause almost interminable delay. The provision in the amended Social Security Act whereby a dissatisfied claimant may obtain a hearing before a referee of the Board and, if dissatisfied with his decision, may seek review of it by the Appeals Council enables most such claimants to obtain at almost no cost to themselves and within a relatively short time<sup>4</sup> a thorough review of the claims and the decisions, on their

<sup>4</sup>In the average case which is not delayed for reasons beyond the control of the referee—such as some unusual difficulty in obtaining needed documents or the testimony of essential witnesses—the hearing is held within 30 days after the claimant requests one and the referee's decision is rendered within 2 weeks after the hearing. Cases appealed to the Appeals Council are usually decided in from 2 to 4 weeks after the claimants have filed simple statements of their contentions or have waived their right to do so.

merits. For any claimant who is dissatisfied with this final administrative result and believes that there is enough at stake, either from the standpoint of the money benefits or the principle involved, the path is still open for court review and determination of his rights.

### Court Review

From July 1, 1940, to December 31, 1945, there were 42 civil actions begun in the United States district courts to obtain judicial review of final decisions which had been rendered by the Appeals Council. Claims of 70 individuals were involved in these 42 actions, representing 1.6 percent of all cases in which decisions had been rendered by the referees or the Appeals Council or 4.5 percent of those decided adversely to the claimants' contentions. By the close of the calendar year 1945, final court decisions had been rendered in 24 of these actions; 18 suits were still pending, 15 in the district courts, 2 in circuit courts of appeal, and 1 before the United States Supreme Court. The final court decisions upheld the decisions of the Appeals Council in all but 4 cases, involving 10 claimants. Thus, during the first 5½ years of operation of the appeals system, the final decisions of the Appeals Council had been reversed by the courts in one-fourth of 1 percent of all cases decided and in two-thirds of 1 percent of the cases which it had decided against the claimants.

These low percentages of reversals imply a high standard of performance by the referees and the Appeals Council, but they are not conclusive. There is no way of telling, of course, what proportion of the claimants who were dissatisfied with the decisions of the Appeals Council were deterred from seeking court review solely by considerations of expense, or how many, on the other hand, refrained from such a course because they had come to believe—either with or without legal advice—that the courts would not support their contentions. Yet it seems reasonable to suppose that in most instances claimants who still believed—after the successive adverse actions by the Bureau, a referee, and the Appeals Council—that their contentions were sound and supported by the evidence would appeal to the courts. Conversely, then, the failure

of 95.5 percent of the claimants whose claims were finally denied by the action of the Appeals Council to appeal may be taken to signify that they acknowledged at least the legal validity of the Council's conclusions, although they may have continued to be dissatisfied with the results flowing from those conclusions.

The cases which have gone to the courts have run almost the entire gamut of possible issues, but with a somewhat different distribution from that of the cases before referees. Relatively twice as many of the court cases as of those heard by referees have involved the question of employment relationship, for example. On the other hand, the courts have received relatively fewer cases involving family relationship. Perhaps the reason for a higher proportion of court cases turning on the question of whether the wage earner was an "employee" is that this vital coverage question concerns an area which, as respects the purposes underlying the Social Security Act and similar remedial legislation, is not clearly defined by long-established legal precedents and still leaves room for some uncertainty. The legal status of family relationships is probably more clearly expressed in the law of domestic relations, which has developed through centuries of litigation and legislation. Cases turning on an issue of this type, therefore, less often involve legal uncertainty but, as a rule, depend solely on the facts; and the courts are directed by the amended Social Security Act to treat as conclusive the Board's findings "as to any fact, if supported by substantial evidence."

Of the four civil actions in which the ultimate court decisions reversed the Appeals Council, one involved interpretation of section 209 (m) of the act relative to the applicability of State law where such law barred a widow from taking her husband's intestate personal property if she had abandoned him; one involved the status as an "employee" of an individual who was the receiver of a State bank; a third depended on the interpretation to be given the Board's regulation on "constructive payment" of wages under a rather unusual factual situation; the fourth concerned the question whether, under State law as

interpreted by the courts having jurisdiction, it was possible to find a common-law marriage by estoppel. Each of these suits involved a fine point of law on which competent legal opinion was divided. The same is true of many of the court cases now pending. Such legal issues can be settled finally only by the courts; in the meantime the Appeals Council must be guided by what appears to be the import of court decisions in cases which are not always

squarely analogous. A decision of the Appeals Council which denies a claimant benefits in such circumstances may be contrary to what it would prefer to conclude; being bound by what, in its judgment, is the weight of legal precedent, however, it is constrained to decide adversely to the claimant. To have its decision reversed in the courts, in such a case, enables the Board, in future cases, to achieve the result which the Appeals Council had

avored but believed itself without authority to effect.

In the light of the court decisions thus far, it is reasonable to conclude that the appeals system of the old-age and survivors insurance program is achieving results which are fair to claimants and fully in accord with what they would have obtained by direct appeal to the courts and that these results are obtained expeditiously and economically.

## The Administrative Review in Federal-State Social Security Programs

By William L. Mitchell\*

ADMINISTRATORS in and out of government have struggled for years with the problem of keeping in sufficiently close touch with their organizations to know currently and accurately what is going on; to ensure that all their divisions or departments are following established policy and are operating efficiently and economically, and to know that the number of checks and balances is sufficient to achieve honest and competent administration but not so great as to impede accomplishment. From the first day of its existence the Social Security Board likewise has had to concern itself with the controls and sources of information that, in a large organization, will ensure that the purposes of the act are being carried out and that channels exist to provide an orderly and continuing flow of information to enable the Board to report on its stewardship and, as occasion necessitates, to make intelligent recommendations to Congress and others on program improvements.

It would be impractical to attempt to discuss or even to describe here all the devices employed by the Board to review and measure the administration of social security. These include fiscal audits, the extremely well-organized processes for appraising Federal administration of old-age and survivors insurance, the advance for-

mulation of 6-month operating programs for all Board functions, the periodic review of budget justifications, periodic review of State merit systems, and many other well-established and productive appraisal procedures. The present discussion relates only to the formally adopted set of procedures, routines, and reports that we have come to identify as the "administrative review" in the two Federal-State programs—the public assistance program, in which the Board is responsible for making grants-in-aid to States for assistance and administration under State plans for old-age assistance, aid to the blind, and aid to dependent children; and the unemployment insurance program, under which the Board has responsibilities for approving State unemployment compensation laws for tax-offset purposes and for making Federal grants to meet the costs of administering those laws.

### *The What and Why of the Administrative Review*

The conditions specified in the Social Security Act for Federal participation in these programs give us our marching orders. There can be no evading the discharge of these specific mandates. At first sight they may appear to allocate to the Board essentially negative police duties—and under a less progressive and imaginative type of administration they could easily have been so interpreted.

Over its years of operation, however, the Board has evolved a positive concept of the "Federal role" inherent in the statutory mandates for these Federal-State systems.

The formally adopted statements of the Federal role in public assistance and in unemployment insurance differ in language but are identical in substance. They encompass five main areas of Board activity and responsibility: approval of State laws and plans; grants of Federal funds; maintenance of "proper and efficient administration"; consultation and advice relating both to program and to administration, including the maintenance of a clearing-house service; and public and legislative information looking toward improvement of the programs.

These are the ends served by the Board's administrative review of State operations. Basically, the "review" is a system for evaluating the State's administration of its law in order to determine conformity with the act. But any review outline or any review report is deficient to the extent that it is not consciously oriented to each of the characteristics of the Federal role. Methods may and do differ substantially, but the purposes remain the same.

Looked at from another point of view, what does the Board expect to get from the review process? Three words sum up the answer: conformity, information, improvement. The review should give assurance as to continuing conformity or should identify and explain nonconformity; it should provide the clearing-house material on program and administration for use in giving advice and consultation; and it should furnish a rich source of research data for pointing the way

\*Assistant Executive Director, Social Security Board. This article is taken from an address at the field staff conference, State Technical Advisory Service, Washington, D. C., April 1, 1946.



to a better social security system—for program development and standard setting.

### *The Administrative Review in Public Assistance*

From the beginning the Board has recognized its responsibility for assisting the States in improving their public assistance programs. In view, however, of the absence of specific information on the adequacy of individual State operations and because the standards against which State practice might be judged were imperfect or lacking, at the outset we concentrated temporarily on the proper expenditure of funds. In those days the Board's Bureau of Accounts and Audits made a complete audit of the eligibility of the individuals who received assistance toward which Federal funds were used, examining every case file in every State. The audit staff, which was twice its present size, was not equipped by training or experience to draw from these records the information needed for standard setting and program development. As auditors, they were a credit to themselves and to the Board. Skills other than auditing, however, were needed to get the whole job done.

By January 1940 the 100-percent audit of eligibility was discontinued; public assistance auditing was then limited to the fiscal aspects of payment, audit of the State's accountability for expenditures, and a general review of fiscal procedure and accounting. At the same time the Bureau of Public Assistance instituted a continuing review of State and local administrative procedures and operations, including an appropriate review of sample case records to assure the Board of the State's adherence to Federal requirements and to the State's own approved plan.<sup>1</sup> The Bureau of Accounts and Audits was to be called on for consultative service and, if special circumstances necessitated, for an audit of individual eligibility determinations.

It was recognized that the review process must be consistent with the Board's determination to assist the States in strengthening their admin-

istration and should not represent processes that might have the effect of weakening State administration and initiative through spoon-feeding. Likewise, the administrative review was recognized as an extension of, rather than a substitute for, existing methods of fact finding and dealing with the States. It was to be carried on by the Bureau cooperatively with State officials, and its results were to be made available to the States for their use in accomplishing administrative improvements. The importance of decentralizing the process to the regions was recognized; while uniformity of procedure was regarded as important, flexibility was introduced to assure adaptability to the individual needs of each State.

The review is geared to encompass the entirety of the State's administrative process, working back from the end product, which is the assistance payment to the individual or the denial of assistance, through all the earlier steps involved. Since the fiscal audit of eligibility had been discontinued, provision was made for the reporting of errors in assistance payments to the States for proper adjustment. It was recognized at the beginning, and is still found to be true, that the review process must be changed and refined continuously as circumstances indicate need for change.

A review of each State is completed annually. To have it reflect the most nearly current situations, the information relating to each of the local agencies reviewed covers the last 2 quarters preceding the field work. The field work is spaced so that activities of some local agencies would be reviewed for each quarter within the established annual period.

To keep the job within manageable proportions and costs, the conventional practices of "sampling" and "test checking" were adopted. Contrary to most studies on a sample basis, however, the public assistance review is organized so as to assure that over a period of years the accumulation of the samples will provide a much more extensive coverage of State operations than is gained in any single year.

The first year was frankly experimental. In States where the case load

was heavily concentrated, the Bureau attempted to review the operations of local units responsible for 50 percent of the case load. When this was not feasible, units were selected to assure good geographic distribution and as large a representation of the case load as possible.

Within the local units thus selected, a review was made of random samples representing 10 percent of the approved applications within the 2 preceding quarters, 5 percent of the applications rejected, and 2 percent of the cases which had received assistance continuously for a year or more. Appropriate schedules were designed to permit uniform recording of information and to assist the reviewers in performing their work on a uniform basis. The schedules were of two general types, one to record information on administrative practices and the other on individual cases. The administrative schedules, likewise, were adapted to the recording of information on local units, on the one hand, and on State agency operations on the other.

The State agency schedule was largely limited to operations which could be most readily made the subject of study by schedule methods, such as the method and extent of field supervision. Other aspects of State agency operation were left to the general responsibility of the regional representative to handle as circumstances required. The schedules relating to individual cases were devised to reduce writing and transcription to a minimum by use of check marks and figures to report information. All schedules were designed to take account of the differences in the three categories of public assistance.

Moreover, an effective use was made of testing and sampling methods to eliminate the necessity of even the entire sample review in States which already had some form of review that constituted a practical equivalent. In those States, we make only a test check of the agency's plan in order to establish its validity. Thus, we are able to get what we need with a minimum of effort and to avoid duplication of the State's work.

The public assistance review requires only three reports: a statement from the regional representative giving the advance plan for each year of

<sup>1</sup> See Goodwin, Kathryn D., "Administrative Review in Public Assistance," *Social Security Bulletin*, October 1943, pp. 5-16.

review in each State; a quarterly report of progress; and an annual report formalizing and evaluating the State situation as seen through the review; plus any other pertinent factual information. The annual report, while primarily designed for use by the Board, is also given to the State for its information.

### *The Administrative Review in Unemployment Insurance*

The administrative review in unemployment insurance has many points in common with that in public assistance but also many points of difference. During the first few years the Bureau of Employment Security had no formalized review, though a review outline was in use, primarily as a guide when it became necessary to make a special review in a State where difficult problems of administration or conformity issues arose. Four years ago the Bureau established a review on a more regularized basis, but it was not until early 1943 that a rough equivalent of the current process was introduced. Until last year, this review was conducted every 6 months. It is now on an annual basis, and all reviews are completed between July 1 and February 28.

The representative of the Bureau in each region is primarily responsible for the conduct of the review, but all members of the regional professional staff aid in carrying it out.

The process begins with a review in the regional office of the previous year's report; a check of current items of important business with the State; a review of the relative efficiency of the State as compared with others in the region and country in such items as unit administrative costs, time lapse in benefit payments, and so on; and a brief review of State manuals, procedures, and organizational charts. Clearance is made with State officials at the beginning of the review, and the State administrator is asked to participate closely and continuously. In the smaller States and in States with relatively few problems, the actual collection of the review material takes 9 or 10 working days; in more complicated situations, as much as 18 to 21 working days.

If a comparison may be ventured, the unemployment insurance review seems to be more highly proceduralized than that in public assistance. A 43-page outline is provided, with space for a brief answer on each point. The outline is divided into 9 major sections, representing the major areas of State administration. Varying numbers of questions are included in each section, carefully selected to require review of each detail of operation that is of real importance.

As in public assistance, test checks are used to appraise the administration of mass operations. For example, there is a careful examination of 60 benefit decisions selected at random, 60 of the most recent benefit decisions involving disqualification, and 60 appeals. The reviewer must attend from 1 to 3 appeal hearings and must make an on-the-ground review of operations of at least 3 local offices.

Statistical schedules, the preparation of which was found burdensome and time consuming by the regional staff, have recently been eliminated from the review outline. Schedules are now prepared and submitted voluntarily by the States themselves. The content of these schedules is changed somewhat each year in order to reflect changes in operations and the varying interests of those who use the figures.

The completed outline, in most instances, constitutes the report of the review, although it is ordinarily submitted to the Board with a covering memorandum that often takes the form of a report, summarizing findings of the review and including any additional comments deemed significant on the State's administration of its program.

As in public assistance, if serious evidence of poor administration or nonconformity is discovered during the course of the review, it is immediately called to the attention of State officials. Items of lesser importance are held for discussions at the conclusion of the review.

A copy of the completed review outline is always made available to the State. The time and method of presenting it to the State are left to the discretion of the regional representative. He may conclude that a conference is unnecessary because of

continuing discussions during the course of the review; he may arrange for a conference immediately upon completion of the review; or he may postpone discussion until the materials have been analyzed and a formal program for the presentation and discussion of findings has been worked out in the regional office.

The only differences of consequence between the public assistance and unemployment insurance reviews appear to be those attributable to basic characteristics of the two programs. Public assistance is ordinarily administered on a county basis, while the administration of unemployment insurance is usually highly centralized. Review of public assistance, because of the matching provisions of the Federal law, must give more concern to payments to individuals, toward which Federal funds are used. The unemployment insurance review, because of the 100-percent Federal grant for administration, places a special emphasis on the details of administration and on budgetary aspects of administration.

### *Results of the Administrative Review*

Within recent months the Bureau of Public Assistance has spent much time evaluating its administrative review process, gathering information from many sources, including the regional offices, on the present operation of the review process. Most of the Bureau's findings of fact and some of its conclusions and recommendations apply also to the review by the Bureau of Employment Security. Here are some of them:

The State agencies, with few exceptions, have commended the process and have accepted the conclusions. Credit for State progress toward the accomplishment of Board standards is given in large degree by the Board's representatives to the friendly cooperation during the review and the contacts thus established. The review has disclosed important problems in each of the regions and has been used frequently to explore the problems in detail. It has brought about an opportunity to discuss with the States emerging problems of administration as soon as they come to light; better planning in the regions

for consultative service from the Washington staff; more effective regional planning of regional operating programs; and easier and better analysis of revised State plan material and new legislation. In addition, the review process has aided the research consultants in interpreting State statistical material, has made useful background material available to regional attorneys, regional auditors, and State Technical Advisory Service consultants, and has kept the regional staff continuously in touch with all aspects of State operation.

*Use of review findings by the States.*—The Bureau of Public Assistance is strongly of the opinion that the findings of the administrative review included in the reports sent to the State administrators are chiefly useful in improving the administration of the State central agency, and that the results are shown chiefly in the supervision over the local units. Within the State central office, the findings are useful principally to the operating staff, rather than to the members of the State board. The reports are not intended for local agency use, since they attempt to present over-all State-wide findings, nor are their details discussed with local administrators during the course of the review, because they are not at that point in analyzed form. For these and other reasons, it is expected that the State agency's field staff will present the findings of the review report to local offices. The presentation and follow-up have not always been adequate, though individual case referrals have been adequately presented to the local offices. The present shortcoming, so

far as the local offices are concerned, is that emphasis is placed on preventing recurrences of lapses in individual cases, rather than in correcting basic causes of trouble.

The Bureau also reports that in most States the review has had a very definite influence on State policy, especially in stimulating preparation of adequate over-all instructions and manuals. Several States have themselves developed administrative reviews patterned largely on that of the Bureau. In many instances, though perhaps not as many as could be hoped, the review reports have prompted special State studies or inquiries.

In employment security a large majority of the State administrators believe that the administrative review process is valuable to them in improving operations. The review process provides a detailed analysis of all agency operations by an outside technician. This fresh, objective viewpoint gives the administrator valuable information for the improvement of agency operations. In many cases in which no improvement is possible or necessary, it at least provides the administrator with an annual review of the effectiveness of his operations made by a person who knows operations in a number of States and whose sole objective is to present findings for the State's use in improving operations. A number of State administrators comment that the material presented to them as a result of the administrative review has brought to their attention areas of operations which were not functioning properly, so that technical assistance could be requested for a complete survey of the area. In many cases, this defect in

operations would otherwise be long delayed in coming to the administrator's attention.

*Use of review findings by the Board.*—Both Bureaus are convinced that the greatest value of the review to their own staffs has been in promoting better and broader understanding of the programs of individual States. In public assistance the reports have not yet proved as effective as had been hoped in giving an integrated picture of a cross-section of a specific practice in all States. The Bureau consultants have found the reports particularly helpful in obtaining needed background information. Likewise, they have been extremely useful in aiding in the review of laws, plan material, and audit exceptions. The research staff testify also as to their usefulness in aiding in the interpretation of State statistics and planning future statistical schedules.

The reviews provide the raw material for the progress reports which are presented periodically for consideration by members of the Board. They furnish a clear picture of operations and results and thus have given the Board the basis for confidence in making the required determinations of the conformity of agency operations to the Social Security Act. Materials developed through the review process have been used extensively in determining the course of the Board's legislative proposals and in supporting its recommendations at legislative conferences and hearings. Members and other officers of the Board have found the reports helpful in familiarizing themselves with State situations before meeting with agency officials, Congressmen, and others.



## Characteristics and Incomes of Families Assisted by Aid to Dependent Children\*

IMPLICIT IN THE PROVISION of aid to dependent children from public funds are two basic concepts that have gained increasingly wide acceptance. The first is that the affectional ties of family life as well as material security are requisite to a child's satisfactory growth and development. The second concept, growing out of the first, is that if a child's home is jeopardized because normal support from his parents is lacking it is a public responsibility to assure the child economic support in his own home.

Recognition of the Nation's stake in the welfare of its children and youth has made government provisions to safeguard the well-being of children accepted public policy. With growing emphasis on maintaining children in a family setting, these safeguards have increasingly taken the form of helping parents or other relatives acting in the place of parents to carry their parental responsibility and to maintain a home for the children.

### A Dynamic Program

These two dynamic concepts of the economic and social needs of children and of public responsibility for meeting them have grown and developed during the decade of experience under the State-Federal programs for aid to dependent children established by the Social Security Act. Within the broad framework of the act, the States have considerable latitude in determining the character of their programs. Consequently, the wide variations in State laws, policies, and administrative practices reflect the varying concepts underlying the development of

their programs. Despite marked differences, however, the States have progressively broadened and liberalized their programs during the past 10 years so as to meet the needs of children more effectively.

The evolutionary character of the concepts underlying aid to dependent children is reflected in the findings of a study planned by the Social Security Board and made on a sample basis by 16 States in 1942.<sup>1</sup> Though the war undoubtedly influenced some of the findings, the information obtained answers some questions important in any consideration of the effectiveness of the program. Why do families receive aid to dependent children? With whom are the children living? What types of families get assistance? How much income do these families have to live on? What are the sources of their income other than assistance?

### Why Children Are Deprived of Parental Support

Title IV of the Social Security Act provides for Federal financial participation in aid to needy children who are living with a parent or other relative and deprived of parental support or care by reason of the death, continued absence from the home, or physical or mental incapacity of a parent.

The present State-Federal programs differ significantly from the earlier programs in the extent to which they provide for children who are deprived of parental support or care for a reason other than death of a parent.<sup>2</sup> "Continued absence from the home" and "incapacity of a parent" may be interpreted by States either broadly or narrowly. It is apparent that some States take much

greater advantage of Federal aid under the "continued absence" and "incapacity" provisions of the act than do others.

The effect of the broadened eligibility provisions of State programs is shown by the types of family situations in which aid to dependent children was provided in the 16 States participating in the study. The death of a parent affected the children's circumstances in less than 42 percent of the families. Absence of a parent from the home for reasons other than incapacity was almost equally important—affecting 40 percent of the families. Usually this absence was due to what, for lack of a better term, may be called estrangement of a parent from the children, including cases of divorce, desertion, and separation and also cases in which the absent father was not married to the mother. A few parents were in the armed forces, imprisoned, or absent for other reasons. The third reason for deprivation of support or care, the incapacity of one or both parents, affected 28 percent of the families.<sup>3</sup>

As would be expected, the financial dependency of the children is usually caused by lack of support from the father, the normal breadwinner. The mother is, of course, generally needed in the home, especially if she has young children. Often she has not been in the labor market and could not earn enough on a paid job to support the family, even if she could arrange for someone else to care for the children. In the 16 States, 98 percent of the fathers, but only 17 percent of the mothers, were dead, absent, or incapacitated. Therefore, only the reason why the child was deprived of the father's support or care is shown here:

Reason for deprivation of support or care by the father	Percent of families
All reasons.....	100.0
Dead .....	37.2
Estranged from family.....	35.8
Incapacitated .....	22.1
Imprisoned .....	2.0
Other reasons.....	2.9

The States varied greatly in their practices in determining the eligibility

\*Summarized by Savilla Mills Simons, Chief of the Assistance Analysis Section, Statistics and Analysis Division, Bureau of Public Assistance, from unpublished data collected in the Study of Families Receiving Aid to Dependent Children, 1942 and data published in Public Assistance Report No. 7, Part I, *Race, Size, and Composition of Families and Reasons for Dependency*, by Agnes Lelsy and Part II, *Family Income*, prepared by Thomas G. Hutton and Sadie Saffan.

<sup>1</sup>The States cooperating in the study were Arizona, Arkansas, District of Columbia, Illinois, Kansas, Louisiana, Massachusetts, Missouri, Montana, Nebraska, North Carolina, Oklahoma, South Dakota, Utah, West Virginia, and Wisconsin.

<sup>2</sup>For a discussion of this point, see "Changes in Types of Families Accepted for Aid to Dependent Children," *Social Security Bulletin*, June 1943, pp. 30-32.

<sup>3</sup>The percentages total more than 100 because families have been counted twice if the father and mother were unable to provide support or care for different reasons.



of children deprived of the father's support for any of these reasons. Although State agency practice was undoubtedly more nearly uniform in accepting families in which the father was dead than in accepting those lacking the father's support for other reasons, the States varied even in their aid to such families, as reflected by the relation of widows aided in the 16 States to families in the population composed of a widowed mother and children. Such variations, however, were much more marked in aid to children deprived of support or care because of the estrangement of their parents or the incapacity of a parent.

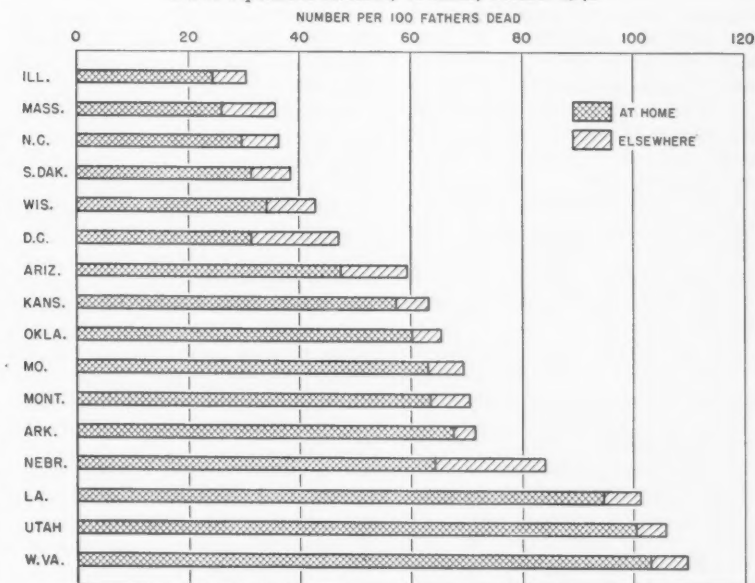
### Estrangement of Parents

For every 100 families in which the father was dead, assistance was given to 96 families in which the father was estranged. This number ranged from 33 in North Carolina to 167 in Oklahoma.

An even more pronounced variation was apparent for families with divorced or separated parents or with the mother not married to the father. In 40 of the 96 families with an estranged father, the parents were separated without legal proceedings or the father had deserted; in 30, the parents were divorced or legally separated; and in 26, the mother was unmarried.

The number of families in which the father had deserted or the parents were informally separated ranged, per 100 cases in which the father was dead, from 18 in North Carolina to 93 in the District of Columbia. This wide variation resulted primarily from differences in determination of eligibility for these types of cases. State agencies differed, for example, in their requirements as to the length of time a deserting parent must have been out of the home before aid could be given. Some had no such requirement, others required as much as a year, and 6 months was the most usual requirement. Another point of variation in practice was whether the agency required that legal action must have been taken to compel support before aid could be given. For example, one State which aided relatively few families if the father had deserted or was separated from the mother without legal sanction required that the mother take steps to

Chart 1.—Number of incapacitated fathers per 100 fathers dead, in families assisted by aid to dependent children, 16 States, October 1942



compel support through the issuance of a court order before assistance was granted.

The relative number of families in which the parents were divorced or legally separated ranged from 5 in North Carolina to 66 in Oklahoma. Here, too, the variations stemmed from differences in agency practice rather than differences in the incidence of divorce and legal separation in the general population. In some States, deprivation of support or care by reason of the absence of a parent might be established immediately after a divorce decree was granted, while in other States this eligibility factor was not established until some time, ranging from 3 months to a year, had elapsed. Or the child of an able-bodied divorced father might receive aid in some States only if the mother was unable by law to compel him to support the child.

For every 100 families in which the father was dead, the number in which the children were deprived of parental support or care because the father was not married to the mother ranged from 8 in Utah to 53 in the District of Columbia. This wide range, although somewhat affected by State differences in the extent of illegitimacy, apparently was primarily the result of varying community attitudes

toward providing assistance to needy illegitimate children.

### Incapacity of Father

In 22 percent of the families, the father was incapacitated and in most cases he was at home. The range, per 100 families in which the father was dead, was from 31 in Illinois to 110 in West Virginia (chart 1).

The variation was due less to differences in the prevalence of incapacity among the population than to the State definitions of physical or mental incapacity, which varied as to the degree, character, and duration of incapacity required for a determination of eligibility. In one State, for example, the parent must have been totally and relatively permanently incapacitated, while another State had no requirements as to degree or duration of incapacity but emphasized the "dependency ensuing" from incapacity. In one State, children were ineligible for aid if the parent had refused recommended sanatorium care, and a child whose parent is mentally incapacitated is eligible for aid only if the parent is institutionalized. The required duration of incapacity varied from 3 to 6 months in all States except one, where the incapacity must have been expected to continue for

a year. Some agencies assisted families in establishing their eligibility by arranging and paying for the necessary medical examinations to determine incapacity, while others left it entirely to the applicant to obtain the required medical report. Some agencies relied solely on the medical statement, while others considered social, psychological, and occupational factors as well. Lack of specific instructions as to the various steps to be taken in determining eligibility in cases of incapacity led frequently to variations in practice among local units.

The various restrictions on eligibility and the lack of specific provisions in some States tended to deny assistance to needy children although they had an incapacitated parent, and the State differences in the relative number of aided children with an incapacitated parent indicate that many such children were not receiving aid. Greater advantage might be taken of the provisions of the Social Security Act so that aid to dependent children would better meet the needs of children deprived of support or care because of the disability of one or both of their parents.

### Relatives Maintaining Home

Current thinking about aid to dependent children emphasizes that the needs of the individual child are served only as the needs of the family group as a whole are met. The essential character of aid to dependent children as a family program is underscored by the fact that all but 7 percent of the children aided were living with one or both of their parents, and most of the rest were living with a grandparent, aunt, or uncle. The fact that more than one-fourth of the children were living with both parents indicates increased recognition of needy children who are deprived of support or care because of the incapacity of a parent. Nine out of 10

children receiving aid to dependent children were living with their mothers, and almost 3 out of 10 were living with both parents. Relatively few of the children were living with the father only.

The proportion of families in which children were living with either or both parents or with some other relative varied markedly among the States. For families in which children were living with their mother only, the range was from less than 57 percent in Louisiana, which provided for a relatively large number of children with incapacitated fathers in the home, to more than 82 percent in the District of Columbia; for those in which children were living with both parents, variations ranged from less than 10 percent in Illinois to 33 percent in West Virginia. Aid to dependent children is seldom used to assist children deprived of support or care because of the absence or death of the mother. The proportion of families in which the children were living with the father only ranged from 0.3 percent in the District of Columbia to 3.2 percent in Oklahoma. These small proportions raise a question whether, in order to meet the needs of this group of children, some States might more often provide aid to needy children living with their fathers only. State variations for families in which the children were living with some relative other than a parent ranged from 6.0 percent in South Dakota to 13.2 percent in Nebraska.

### Characteristics of Children

#### Race

Of the children aided in the 16 States combined, as in the child population of these States and in the country as a whole, the majority were white. This was also the case, in varying degree, in each of the States except the District of Columbia, where Negro children constituted nearly 85 percent of the children receiving aid.

But as would be expected because of the generally better economic status of the white population, the relative number of white children aided was less than that for Negro and other nonwhite children.

The economically disadvantaged position of Negroes and other nonwhite persons should result in their constituting a disproportionately large number of the beneficiaries of any program designed to meet financial need. Furthermore, the higher death and sickness rates and the greater incidence of broken homes among Negroes and other nonwhite persons tend to bring relatively more children from such homes within the group for which aid to dependent children is intended to provide support. It is not surprising, therefore, that in the 16 States combined as many as 52 Negro children per 1,000 in the population and 47 Indian children per 1,000 were approved for assistance, as compared with 25 per 1,000 white children.

Nevertheless, in some States, needy Negro and Indian children did not have the same opportunity as white children to obtain aid to dependent children. The variation among the States was much more marked for these children than for white. In the 10 States with more than 5,000 Negro children in the population, the proportions aided ranged from 14 per 1,000 in North Carolina to 173 in Illinois, while the corresponding proportions for white children varied from 5 per 1,000 in the District of Columbia to 45 in West Virginia.

While the rate for Negro children was as much as 10 times that for white children in the District of Columbia and Illinois, it was only a little higher in Louisiana and West Virginia; in Arkansas it was the same, and in North Carolina it was less than that for white children.

In the 6 States with more than 5,000 Indian children in the population, the rates for these children ranged from less than 1 per 1,000 in Arizona to 117 in Montana, while the range for white children varied from 17 in North Carolina to 44 in Oklahoma. Despite the effects on the extent of need among Indian children of such factors as the proportion of Indians living on reservations and the availability of other resources—tribal funds, board-

Relative with whom child was living	Percent of families in which children were living with specified relative	Percent of children living with specified relative
Mother.....	69.2	66.6
Both parents.....	19.6	25.1
Neither parent.....	9.6	6.6
Father.....	1.6	1.7

Race	Percentage distribution of—	
	Children aided	Child population
White.....	78.6	88.1
Negro.....	20.1	11.1
Indian and other nonwhite.....	1.3	.8

ing schools for the children, and so on—it seems apparent that in Arizona, which was assisting 36 per 1,000 white children, aid to dependent children was not available to the same degree to Indian children as to other needy children.

### Age

Twenty percent of the children in the families receiving aid were under school age, 37 percent were 6 to 11 years, and 43 percent were 12 to 17 years old. Proportionately there were more older children and fewer in the youngest age group than were found in the general population of the 16 States. The smaller percentage of children under age 6 is due to the fact that 1-child families, in which the child is likely to be very young, are less likely to be in need than families with several children.

The maximum age for eligibility under the program affected the proportion of children aged 16-17. At the time of the study, 6 of the 16 States—Arizona, the District of Columbia, Missouri, Nebraska, Oklahoma, and South Dakota—still had a maximum age of 16 as provided in the Social Security Act before the 1939 amendments extended the provisions to children aged 16 and 17 who are attending school regularly.<sup>4</sup>

### Children Not Approved for Aid

Not all the children of eligible age in the families receiving assistance are approved for aid. Some, although they would qualify under the Social Security Act, are not eligible under the provisions of the State in which they live. For example, Missouri required school attendance as a condition of eligibility for children 14 and 15 years of age; some children under 16 who were not attending school were therefore ineligible in that State. Other children are ineligible because they are self-supporting or have some other means of support—for example, children in a self-supporting family with whom a child approved for aid is living.

A second group of children are not approved for aid although eligible under the State plan. When the agency has insufficient funds to meet in full

the amount of need it has determined, it sometimes establishes the eligibility of and certifies only the number of children necessary to justify the monthly payment to be approved, although more children may benefit from the payment. The same thing may occur even when need is fully met, if the agency has such low standards for determining need that few payments are made at the maximum amounts permitted by the State. Likewise, in States that have maximums higher than or the same as those set by the Federal act for Federal matching—\$18 a month for 1 child and \$12 for each additional child—approval of only the number of children necessary to obtain full Federal matching may be all that is required.

In some instances, children born or returned from foster care after the family has been approved for assistance are not certified for aid. This practice does not always deprive the family of additional assistance. A few States have a maximum limit on the total payment to a family, which would at times prevent increasing the payment to cover the needs of an additional dependent child. In all these situations, as long as lack of funds or maximum limitations on the total payment make it impossible to provide for the needs of all the children in the family, it may seem fruitless in the individual case to undertake the additional work involved in approving for aid all eligible children in the family.

On the other hand, this practice leads to an understatement of the number of children supported at least in part by the program and an overstatement of the amount of assistance provided for each child. Consequently, the needs of all children dependent on assistance are not fully known and cannot be taken into consideration in planning for the financing of the program. Only when the eligibility of all children in the family is determined, and all found eligible are certified, can the basic facts concerning the number of eligible children in need of aid be known and used in planning and administering the program.

Almost 9 percent of the children under 16 years of age in the families aided in the 16 States had not been

approved for aid—the proportion ranging from a little more than 2 percent in Massachusetts to almost 20 percent in North Carolina. The highest proportion unapproved was found among the children under 6 years of age.

Relatively more nonwhite than white children were not approved in each age group. Greater difficulty in satisfying agency requirements as to evidence of age or relationship to the payee in determining eligibility of nonwhite children accounts only in part for this difference. The percent of children of specified age who were not approved for assistance, by race, was as follows:

Age	Percent of children not approved for aid		
	Total	White	Nonwhite
Under 16 years..	8.8	7.7	12.3
Under 6 years.....	17.4	16.3	20.3
6-11 years.....	6.1	5.3	8.7
12-15 years.....	6.3	5.5	9.8

Of the approximately 7,700 children aged 12-15 years not approved for aid, only 540, most of them 14 and 15 years old, were out of school and were working.

In the 10 States in the study that aided children up to age 18 or above, more than a third of those aged 16 and 17 had not been approved for aid. A higher proportion of unapproved children would be expected among boys and girls of these ages than among younger children, because relatively more of them are working and supporting themselves or are ineligible because they have dropped out of school. Twenty percent of the 16 and 17-year-olds not approved for aid, however, were attending school. The relatively greater difficulty of proving the age of older children and the necessity for determining their school attendance may result in a tendency to approve younger rather than older children in the States where not all the eligible children are approved for aid.

### Effect of the School Attendance Requirement

In the 10 States providing aid to dependent children 16 and 17 years of age if they were attending school, 80 percent of the children of these ages

<sup>4</sup>In Wisconsin, which has an age limit of 21 years, assisting children over 16 is optional with the counties.



who were not approved for aid were not in school. More than half of that number were not working, despite the variety of jobs available to young people at the time of the study. Presumably, therefore, many of them would have been eligible for assistance if they had been attending school.

The number of older children who were found to be neither working nor attending school points up the importance of the Social Security Board's recommendation that the requirement of school attendance for children 16 and 17 years of age be deleted from the Social Security Act. This requirement was intended to encourage young people to continue their education until at least age 18. It is now evident, however, that the requirement is not enough to facilitate school attendance without other measures to increase the availability of school facilities and to provide, either through increased assistance payments or otherwise, for the costs of school attendance. At the same time the requirement interferes with the program's fulfilling its assistance function for children in some situations. It results in the denial of assistance to needy children under the age of 18 who for one reason or another can neither attend school nor get a job and support themselves.

### Characteristics of Families

Dependent children receiving assistance do not necessarily live alone with a parent or other relative acting in the place of a parent. The so-called "assistance group"—the children approved for aid and the parent, parents, or relative in loco parentis—often is part of a larger family group. What then is the size and composition of families receiving aid to dependent children? What family members are there in addition to parent and dependent children?

#### Size of Families

For the purposes of the study, the family was defined as a group of persons living together and sharing a common income. Self-supporting older children and other relatives were considered as members of the family and the economic unit, even

though they paid a fixed amount for board and room instead of pooling their income with that of the other members.

The families assisted by aid to dependent children in the 16 States, as a whole, averaged 4.5 persons—2.4 children approved for aid, 0.4 children under 18 years not approved, and 1.7 adults. The States varied considerably in the number of persons per family, with a range from 4.1 in Illinois and Massachusetts to 5.0 in West Virginia.

#### Composition of Families

More than half the families were composed only of the "assistance group." In about one-third of the families including members other than the assistance group, the additional members were children under age 18 or persons aged 65 and over; the other two-thirds included adults between the ages of 18 and 65. The proportion of families containing persons in addition to the assistance group is affected by a State's maximum age limit for aid to dependent children and its practice in regard to approving all eligible children in the family. In the 6 States with an age limit of 16 years, 56 percent of the families contained additional persons, as compared with about 45 percent in the other 10 States. In the 16 States combined, 17 percent of all the families had children under 18 years of age who were brothers or sisters of the children aided but were not themselves approved for aid. Owing to marked differences in the practice of approving all eligible children in the family, however, the range varied from 6 percent in Utah to 37 percent in North Carolina.

As would be expected, families assisted by aid to dependent children have fewer adults and more children than the usual family. Less than two-fifths of the members of the families studied, as compared with more than two-thirds in families in the general population, were aged 18 or over. Sixty-nine percent of these adults were parents or relatives in loco parentis, 13 percent were brothers and sisters, and 18 percent were other relatives. The majority of the adults, especially among nonwhite families, were women. Approximately four-fifths of the parents or rela-

tives in loco parentis, in contrast to only half of all other adults in the family, were women.

#### Number of Children in Families

One-fourth of the families had only one child under 18 years, slightly more than one-fourth had two children, and a little less than half had three or more children. This represents a smaller proportion of 1-child families and a larger proportion of families with 3 or more children than was found in the general population in the 16 States. Presumably, the overrepresentation of large families reflects the fact that a family with only 1 child lacking normal parental support can usually get along more easily than a family with several children. Nevertheless, as already noted, it is apparent that the States vary somewhat in regard to accepting 1-child families for aid.

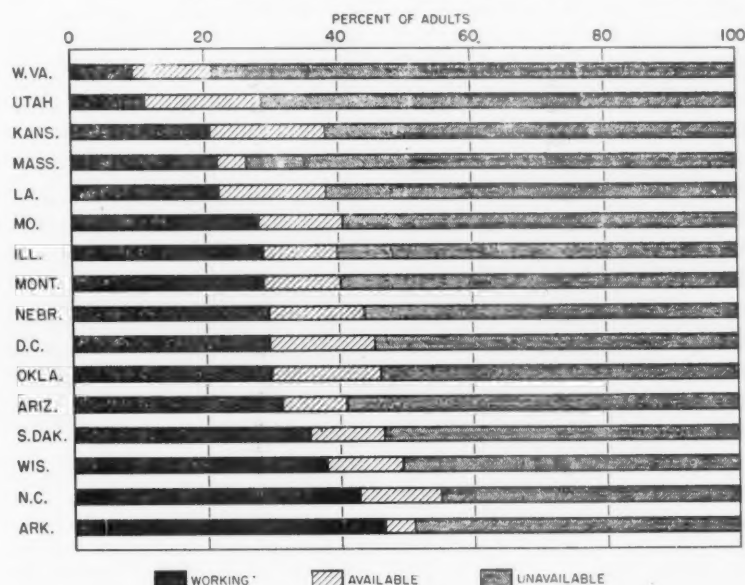
#### Employment and Employability of Family Members

When the study was made, the Nation's war-production machine was moving into high gear, and the demand for labor affected both the employability and the employment status of the families receiving aid. Many families whose members found work easily and who were located in areas of labor demand no longer needed to depend on assistance. Those on the assistance rolls at the time of the study probably were of more limited employability than those who had gone off the rolls and yet were more employable than families receiving assistance in the later war years. Undoubtedly, mounting demands for manpower had already led to the employment of some workers of only marginal employability and of persons not normally in the labor force. Both the employment status and the earnings of family members were undoubtedly affected by labor-market conditions prevailing during the war.

#### Employment Status of Adults

The composition and character of the families aided, in which mothers of young children and incapacitated fathers constitute a large proportion of the adults, would lead one to expect rather limited possibilities of employment, although undoubtedly more

Chart 2.—Employment status of persons 18 years and over, in families assisted by aid to dependent children, 16 States, October 1, 1942



persons of restricted employability were working part time at the time of the study than would be expected in a period with a lower level of employment. Information on employment status, however, reflects not only the levels of industrial activity and employment current at the time but also the varying practices of States in regard to the types of families accepted for aid and the extent to which families with incapacitated parents were assisted.

Sixty percent of the adults in the families in the study were considered unavailable for work. They were either needed to maintain the home and care for children or ill persons in the family or were themselves too incapacitated by a mental or physical handicap to be employed. A few young adults were attending school, and so were not available for employment. The proportion unavailable for work ranged from 45 percent in North Carolina to 79 percent in West Virginia, where a relatively large proportion of the families had an incapacitated parent. Only 28 percent of the adults—ranging from 9 percent in West Virginia to 47 percent in Arkansas—were employed either full or part time. Twelve percent were unemployed, although available for

work. The smallest proportion unemployed (4 percent) was found in Massachusetts, a State with diversified industry providing a variety of employment opportunities during the war; the largest proportion (17 percent) was found in Utah, which had relatively less war production (chart 2).

Relatively more men than women and nonwhite than white adults in the families were working or were available for work. Relatively more mothers than other women in the families were unavailable for work. The percentage distribution of the different family members 18 years of age and over who were working, available for work, or unavailable was as follows:

Family members	Percentage distribution of family members		
	Working	Available for work	Unavailable for work
Men.....	40.9	14.4	44.7
Fathers.....	13.5	13.2	73.3
Brothers.....	65.8	19.8	14.4
Other.....	60.0	12.5	27.5
Women..	22.7	11.7	65.6
Mothers.....	19.0	10.8	70.2
Sisters.....	50.0	20.8	29.2
Other.....	22.7	10.6	66.7

## Types of Employment

Nearly three-fifths of the employed adults were working only part time—less than 30 hours a week—or were self-employed in their own business or on a farm. Doubtless, much of the self-employment was also part time. Less than 40 percent of the employed adults had full-time jobs:

Type of Employment	Percentage distribution of employed adults
Total.....	100.0
Private full-time.....	39.7
Private part-time.....	32.8
Self-employed.....	25.6
WPA or NYA.....	1.9

At prewar employment levels, part-time employment would probably not have been available to so large a percentage of family members. The only significant difference in type of employment as between men and women and white and nonwhite persons was that a much larger proportion of white than nonwhite women were employed full time or were self-employed.

Few mothers of dependent children (less than 5 percent) were working full time in private employment and fewer (less than 3 percent) were unemployed but available for full-time work without restrictions as to the type or conditions of work. Ten percent were employed part time, 5 percent were self-employed, and 6 percent were unemployed but available for part-time work.

Most of the fathers considered available for work had a disability, either physical or mental, which restricted the kind of work they could do. This group, plus the fathers who were totally incapacitated for work, represented more than 83 percent of all fathers in the home. Of the small group of fathers who were working, only 26 percent were employed full time in private employment; 41 percent were working part time, and the rest were self-employed or working on WPA or NYA projects.

## Employment Status of Children

The continuous withdrawal from civilian employment of young men of military age for service in the armed forces created a new demand for workers under the draft age of 18. The absorption of skilled workers by the war industries resulted in new job opportunities for inexperienced and untrained workers, at good wages.

Employers who had previously had no interest in hiring young persons of the ages covered by the Fair Labor Standards Act and State child labor laws had begun to employ children of school age. Many young persons left school for full-time jobs. Some worked only during school vacations. Others worked part time while attending school. A great many children of school age were used as emergency farm workers, especially to pick fruit and vegetables during the harvesting seasons. This was particularly true early in the war before other, more efficient sources of agricultural labor were organized.

These conditions had their impact on the children in families assisted by aid to dependent children. In some instances, the employment of family members under age 18 brought in sufficient income to make assistance no longer necessary. In others, the new or increased earnings of the children in the family served to make the family income, which had consisted chiefly of the assistance payment, more nearly adequate.

Information was obtained in the study on whether the children, even though they were attending school, did any work for pay outside the home or a family enterprise during the last week of the survey month. The study was made in a fall month when school may or may not have been in session. Nearly one-tenth of all the children 6 to 17 years of age in the families receiving assistance in the 16 States were employed at least part time. Nearly 28 percent of the 16 and 17-year-olds and nearly 13 percent of those who were 14 and 15 years of age were working.

The variation among the States in the employment of children in the family is shown by the following ranges in the relative number of children in each age group who were employed:

Age	Percent of employed children in each age group		
	Total, 16 States	Lowest percent	Highest percent
6-17 years..	8.9	1.7 (W. Va.)	26.8 (Ark.)
6-11 years..	2.9	0 (W. Va.)	15.8 (Ark.)
12-13 years..	6.5	0 (W. Va.)	27.8 (Ark.)
14-15 years..	12.9	1.0 (W. Va.)	36.5 (Ark.)
16-17 years..	27.8	10.4 (W. Va.)	64.2 (Ariz.)

Arkansas had the highest percentage of children employed in each of the age groups under 16, probably because of the extensive use of young children in agriculture, especially in picking cotton. Oklahoma, Arizona, and North Carolina, all of which raise types of crops in which children work, also showed considerable employment of children of all ages. On the other hand, in West Virginia, which consistently had the lowest percentage of employed children, the major industry is coal mining, in which the employment of young persons is strictly prohibited. In Massachusetts, an industrial State with good standards for child labor, almost none of the children under 16 were working, but nearly 30 percent of those 16 and 17 years of age were employed. In the District of Columbia very few children in the younger ages worked, but nearly 44 percent of those 16 and 17 years had jobs, reflecting at least in part the fact that the policy of the Federal Government, the chief source of employment in the area, is not to employ persons under 16 years of age.

In each of the age groups under 17, a larger proportion of the nonwhite than of the white children worked.

Age	Percent of employed children in each age group	
	White	Nonwhite
6-17 years.....	8.6	10.3
6-11 years.....	2.5	4.3
12-13 years.....	5.9	8.9
14-15 years.....	12.1	16.1
16-17 years.....	27.5	28.8

Of all the children between 6 and 18 years receiving aid to dependent children, almost 7 percent were working. Probably much of this employment was part time, outside of school hours. On the other hand, nearly 30 percent of the children in those ages who were not approved for assistance were employed.

### Incomes of Aided Families

The assistance payment is frequently not the sole source of income of a family but supplements small amounts of income from other sources, either in cash or kind. The amounts of assistance payments alone, therefore, do not serve as a gauge of what families have to live on. Eight of the

States in the study<sup>5</sup> collected information on the total family income, the first available information of this kind for aid to dependent children.<sup>6</sup> Since so few States made this part of the study, the findings do not necessarily represent the situation in all families receiving aid. The income reported was that of all members of the family group described earlier, including on the average 2.1 persons in addition to the children approved for aid. Since nearly half the families included financially independent persons in addition to the assistance group, the information on total income cannot be related to the group receiving assistance. It does indicate, however, the general level of family living shared by the children receiving aid.

**Cash income.**—In a war year in which, as has already been seen, there were unusual job opportunities for workers of marginal employability, the total monthly cash income for the average family of 4.5 persons was \$63. Many of these families also had some income in kind, such as rent-free living quarters, farm or garden produce, or surplus food under the food stamp plan.

Despite this additional income, it is apparent that, in view of the marked rise in living costs which had already taken place when the study was made, the aided children were growing up under conditions of poverty. This conclusion is supported by a comparison of the average total income and a crude estimate of the monthly cost of living at a maintenance level for the average aided family of 4.5 persons in certain cities. This estimate, derived from the cost of the maintenance budget—which provides for more than a "minimum of subsistence"—for the 4-person family published by the Bureau of Labor Statistics, was available as of December 15, 1942, for the following cities in States participating in the study of incomes:

Boston.....	\$133
District of Columbia.....	138
Milwaukee.....	129
St. Louis.....	130

<sup>5</sup> Arkansas, District of Columbia, Massachusetts, Missouri, Montana, North Carolina, Oklahoma, Wisconsin.

<sup>6</sup> For findings of a study made by the Bureau of Old-Age and Survivors Insurance on resources of widow and child beneficiaries in seven cities, see the *Bulletin*, November 1945, pp. 14-26.



Since living costs are somewhat lower in rural than in urban areas in the States in which the cities—other than the District of Columbia—are located, these amounts to some extent overstate the average cost of this budget.

The majority of the families in the eight States combined had income both from public and private sources. About 28 percent had no cash income other than the assistance payment, though more than half of this group had some nonmonetary income. Consequently, only 11 percent of all the families were entirely dependent on aid to dependent children.

Under the favorable economic conditions obtaining at the time of the study, earnings constituted almost as important a source of cash income to the families as the assistance payment. Nearly 40 percent of the total cash income of the families in seven States combined came from earnings, while the assistance payment represented a little more than half.\*

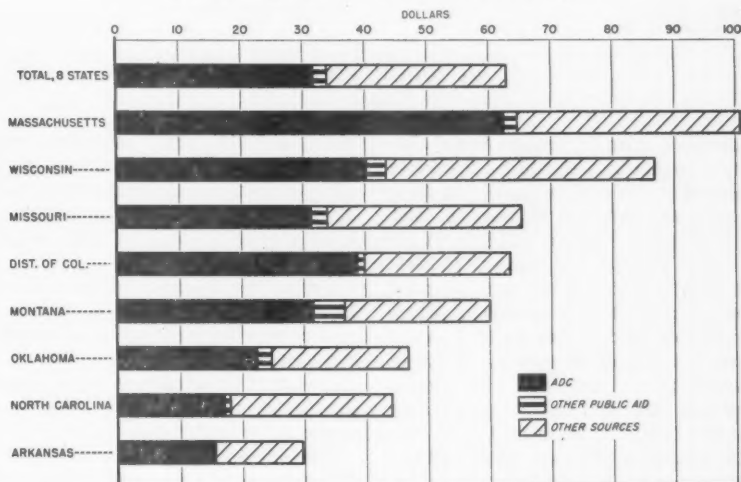
Source of income	Percentage distribution of total cash income
Total, 7 States	100.0
Aid to dependent children	51.3
Earnings	39.5
Other public assistance	2.7
Contributions from relatives	2.3
Pensions, social insurance, etc.	1.5
Investments or property	1.1
Other sources	1.6

Of the average monthly total income of \$63, about \$29 came from earnings, contributions from relatives, pensions, and other sources, while \$34 came from public aid—\$32 from aid to dependent children.

Owing largely to variations among the States in the amount of the assistance payment, the States differed considerably in the average amount of the cash income of the families, as well as in the sources of such income (chart 3).

The average total cash income ranged among the eight States from less than \$30 in Arkansas, where aid to dependent children constituted less than 53 percent of the cash income, to more than \$100 in Massachusetts, where 62 percent of the cash income of families was derived from the assistance payment. More than half the families in Arkansas, North Carolina, and Oklahoma had less than \$40 per month in cash, while almost half

Chart 3.—Average amount of cash income per family assisted by aid to dependent children, by specified type of income, 8 States, October 1942



in Wisconsin had more than \$70 and in Massachusetts, over \$80. The higher amount in Massachusetts is partly due to the practice of providing for medical care in the money payment.

State differences in the maximum age at which children were eligible for aid and in the proportion of families including self-supporting persons outside the assistance group contributed to differences in the amount of the family income in the various States. As might be expected from the variation in income from private sources among different races, Negro families had a lower average total cash income than white families in all the States except Arkansas for which this computation could be made. For the 8 States combined, the average total cash income for Negro families was less than \$68,<sup>a</sup> as compared with more than \$71 for white families. In all States but Arkansas the difference between the averages for Negro and for white families ranged from less than \$3 in Missouri to about \$18 in Massachusetts, which has relatively fewer large Negro families. In Arkansas, where the average Negro family is larger than the average white family, the total cash income averaged about \$6 more for the Negro families.

About three-fifths of the families aided in the survey month had some

earnings in addition to wages, such as payments from boarders or lodgers and proceeds from the sale of crops. In Arkansas, Missouri, and North Carolina about 70 percent of the families had earnings from private employment. In Arkansas and North Carolina this high proportion undoubtedly reflected to some extent pressure to get work because of the inadequacy of the assistance payment. These two States had the highest proportion of working mothers—47 percent in Arkansas and 40 percent in North Carolina. North Carolina also had a high proportion of families with adults besides the supervising relative. Average earnings for families with such income ranged among the States from \$17 in Arkansas to \$98 in Massachusetts, where the smallest proportion of the families had earnings.

Less than 10 percent of the families had help from relatives outside the home or from friends. Few had other private sources of cash income.

Aid to dependent children, which is paid in cash without restrictions on how the family must spend it, was the most important single source of cash income. The median payment was \$25 in the eight States combined and ranged from a little more than half this amount in Arkansas and North Carolina to more than \$60 in Massachusetts. In each of the eight States, there was little difference in the aver-

(Continued on page 27)

\* Complete data on source of income for Missouri were not available.

<sup>a</sup> Adjusted to compensate for variation among States in the proportion of Negroes in the recipient population.



## The First Two Years of Social Insurance in Mexico

By Wilbur J. Cohen\*

MEXICO'S COMPREHENSIVE Social Insurance Act was signed by President Avila Camacho on December 31, 1942, and promulgated on January 19, 1943. Contributions became effective in the Federal District on January 1, 1944; in March 1945 the law was extended to the municipality of Puebla, State of Puebla, and in August 1945 to the municipality of Monterrey, State of Nueva León. This year has seen a further extension to the municipality of Guadalajara, State of Jalisco, under decree of March 1, 1946, and arrangements are now being made for the inclusion of other industrial communities.

In its first 2 years of operation the program has made remarkable progress. Contributions are being collected currently from 31,000 employers and 288,000 employees in the 3 areas of operation (table 1). Approximately 750,000 persons, dependents included, are insured for health benefits. The Mexican Social Insurance Institute owns and operates the great majority of its medical facilities. In the Federal District it has 14 clinics, 5 sanatoria, 107 factory medical posts, 5 analysis laboratories, 5 pharmacies, and other facilities, including special laboratories. In addition, a maternity hospital of 260 beds is nearing completion, and plans have been prepared for several additional hospitals. A few private units still provide health insurance benefits through contract with the Institute, but these services in December 1945 represented only 3 percent of all services provided.

By the end of 1945, approximately 8.6 million medical and pharmaceutical services had been furnished. The Institute employed 808 doctors, 215 pharmacists and laboratory techni-

clians, and 615 nurses, midwives, and medical social workers. These, with 1,521 administrative employees and 62 serving in an executive capacity, made a total personnel of 3,221 in the Federal District.<sup>1</sup>

Under the capable leadership of Ignacio García Téllez, Director General of the Institute, great progress has also been made in obtaining the cooperation of employers, employees, the medical profession, and the public in the administration of the law.

The Mexican law provides cash sickness, maternity, and disability benefits; medical services (including hospitalization, drugs, dental care, and laboratory services) for the insured individual and his wife and dependent children; old-age and survivor benefits; and workmen's accident compensation. Contributions totaling 12 percent of wages are collected for these benefits, exclusive of workmen's accident compensation, as follows: 3 percent from employees, 6 percent from employers, and 3 percent from the Federal Government. In addition, the employer pays the entire cost of workmen's compensation, which is determined separately.

### Administrative Organization

Chart 1 shows the general administrative organization of the Mexican Social Insurance Institute. An outstanding feature of the Mexican law, as of other social insurance laws in Latin America and in certain European countries, is the autonomous character of the Institute. In the United States the Social Security Board is a regular agency of the Federal Government. The Mexican Social Insurance Institute has a somewhat different status, difficult to define but apparently designed to give it all the advantages of both a Government and a private agency, though actually it is neither.

It is an autonomous corporation operating under the legislation by which

it was created to carry on a "public national service"—as social insurance is defined in article 1 of the law. Its governing body, the General Assembly of 30 members serving terms of 6 years, is composed equally of representatives of labor, management, and the Government. So, too, are the Technical Board of 9 members (in addition to the Director General) and the Supervisory Committee of 3 members, all elected by the General Assembly. The President of the Republic appoints the Director General of the Institute and one-third of the members of the General Assembly. Organizations of workers and those of employers appoint their own members of the Assembly. However, in accordance with a transitional provision under the Social Insurance Act, the President named the labor and management as well as the Government members of the Technical Board. The law conferred on this Board the powers of the General Assembly and Supervisory Committee for the first 2 years of the program's operation.

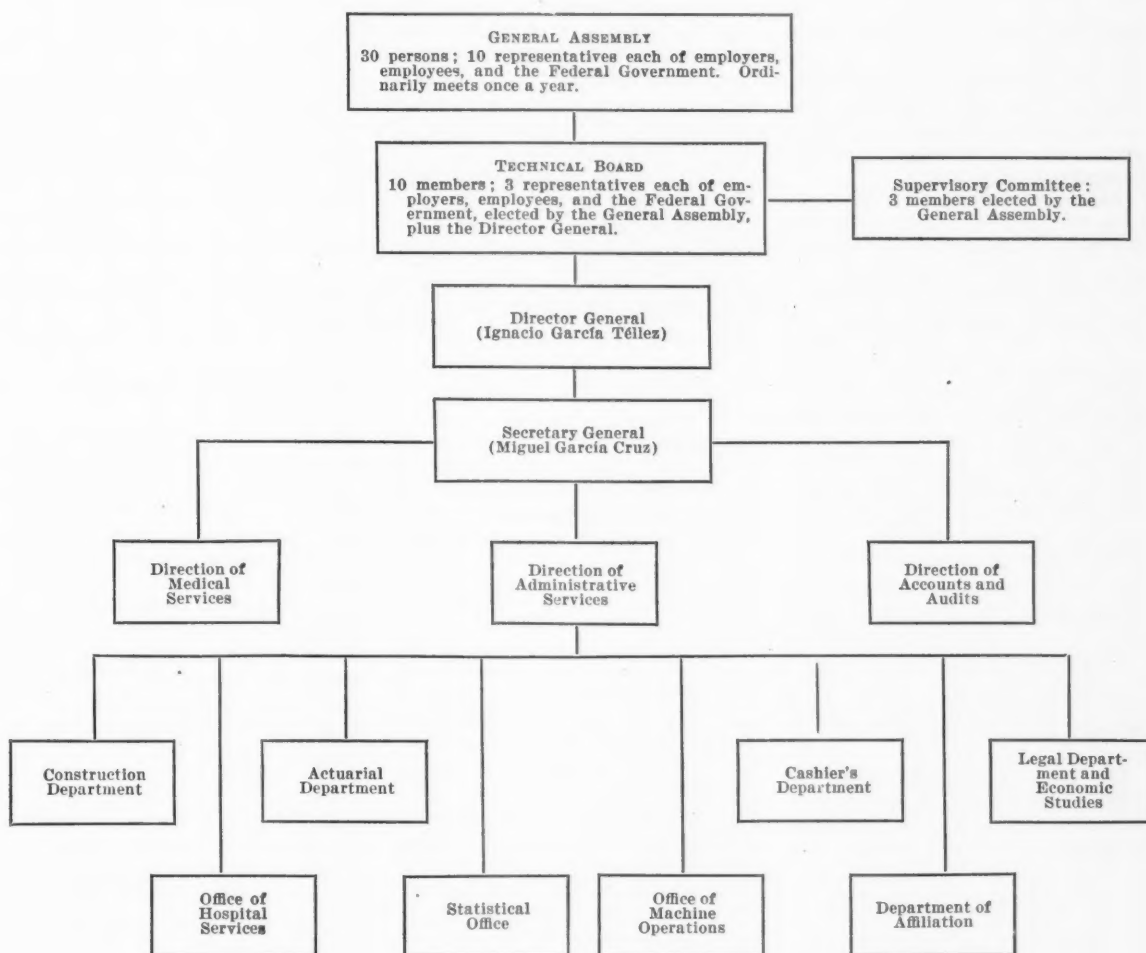
The Institute is completely autonomous in such matters as selection of personnel, general administrative policies, and—subject to the general legal provisions on investments and other matters—the management of its funds. While the Social Insurance Act sets forth penalties for failure of employers and members of the staff of the Institute to abide by the law, the Institute has wide latitude in issuing regulations on numerous substantive matters not spelled out in the law. For instance, the Institute may enter into contracts for voluntary and additional insurance, subject to such special conditions and scales as it may establish, provided that these are approved by the Ministry of Labor and Social Welfare.

The major significance of this autonomy is considered to be the separation of the Social Insurance Institute from politics. It is pointed out, for example, that the social insurance organization can employ doctors without getting involved in the question of "state medicine," since such doctors are not Government employees but, rather, employees of a corporate body, just as if they were employed by a corporation, business, university, hospital, or research center.

\*Assistant Director, Bureau of Research and Statistics. The author obtained the information in this article while in Mexico in July 1945, attending the meeting of the Permanent Inter-American Committee on Social Security. He is indebted to Carl Farman, Division of Coordination Studies, Bureau of Research and Statistics, for help in analyzing and verifying the data.

<sup>1</sup> The personnel at Puebla and Monterrey totaled 227 and 155, respectively.

Chart 1.—General Organization of the Mexican Social Insurance Institute, January 1, 1946



### Occupational Injuries

Another outstanding feature of the Mexican law is that compensation and medical care for occupational injuries are included as a part of the social insurance program. The Social Insurance Institute not only collects the contributions for this program but also administers the benefits—both medical and cash. Private insurance companies have no connection with the program.

The primary reason for integrating workmen's compensation in the social insurance system, according to the Director General, Señor García Téllez, was the failure of the former system

to protect the rights of the worker, his family, and the community as a whole. Under a system in which the employer and private insurance companies are responsible for providing the insurance protection, the Director General holds, major emphasis is placed on reducing benefit costs rather than on the care and cure of the injured workman. Moreover, controversies inevitably develop as to whether an injury, accident, or disease is "work connected" or not. When medical care for both industrial and nonindustrial accidents and disease is provided under the same administrative set-up, the workmen are

assured of prompt care irrespective of the cause of the injury or illness.

The Mexican authorities are firmly convinced that this provision of their law will prove to be sound in practice and will be adopted by other nations. Venezuela, Paraguay, and Ecuador have already integrated their workmen's compensation laws with the social insurance program, Brazil has issued regulations for the early achievement of that objective, and Costa Rica is considering such action.

### Coverage

The Mexican law provides that the President of the Republic, on recom-

mendation of the Institute, may put all or any part of the benefits into effect on a given date and may determine the geographic area in which the act will apply. The Institute took the bold step of recommending that the entire law be put into effect in the Federal District, instead of introducing the several parts of the program one at a time.

At the end of November 1945, more than 287,000 workers were covered in the Federal District and by the Regional Funds of Puebla and Monterrey. Table 1 shows the distribution, by industrial group, of employers and currently insured workers. Earlier information on the sex and age of workers registered in the Federal District in December 1944 showed that 76 percent were men and 24 percent women, while approximately two-thirds were under 33 years of age. The total numbers of covered persons on November 30, 1945, in the three regions of operation were:

Region	Total	Workers	Dependents
Total.....	744,267	287,856	456,411
Federal District.....	606,250	233,173	373,077
Puebla.....	60,996	22,591	38,405
Monterrey.....	77,021	32,092	44,929

The following tabulation shows the number and percent of covered employees by wage classes up to the end of 1944:

Class	Daily wage (in pesos)		Number	Percent
	More than	Not more than		
Total.....			286,690	100.0
I.....	1	3,789	1.3	
II.....	2	16,190	5.6	
III.....	3	69,440	24.3	
IV.....	4	67,803	23.7	
V.....	5	61,446	21.4	
VI.....	6	27,261	9.5	
VII.....	8	15,467	5.4	
VIII.....	10	6,615	2.3	
IX.....	12	18,679	6.5	

Approximately 30 percent of all registered workers received daily wages of not more than 3 pesos (60 cents); about 55 percent received not more than 4 pesos (80 cents); and 75 percent, not more than 6 pesos (\$1.20). Unpublished data for 1945 indicate that in the second year of operation only about 7 percent of

Table 1.—Number of employers and employees under the Mexican social insurance program, by type of activity, November 30, 1945

Type of activity	Employers					Employees				
	Total		Federal District	Puebla	Monterrey	Total		Federal District	Puebla	Monterrey
	Number	Percent				Number	Percent			
Total.....	31,281	100.0	26,815	2,167	2,299	287,856	100.0	233,173	22,591	32,092
Agriculture, forestry, stock raising, and fishing.....	206	.7	161	45	—	2,590	.9	2,402	197	—
Mining, petroleum, and natural gas.....	80	.3	80	—	—	2,518	.9	2,518	—	—
Industry.....	9,557	30.5	7,964	845	748	163,186	56.7	125,888	17,729	19,569
Communication and transportation.....	4,844	15.5	4,505	214	125	27,083	9.4	24,809	874	1,400
Commerce.....	15,894	50.8	13,567	1,005	1,322	90,685	31.5	76,199	3,633	10,853
Professions and liberal occupations.....	698	2.2	536	58	104	1,780	.6	1,352	158	270
Other.....	2	( <sup>1</sup> )	2	—	—	5	( <sup>1</sup> )	5	—	—

<sup>1</sup> Less than 0.05 percent.

Source: *Breve Compendio Estadístico*, No. 2, January 1946, pp. 10-11.

the registered workers received daily wages of 3 pesos or less, almost 80 percent earned from 3 to 8 pesos, and 14 percent received 8 pesos or more. The minimum daily wage in the capital is 3.65 pesos.

### Benefits

The striking characteristic of the Mexican benefit formula for old-age, survivor, and permanent disability insurance is the heavy weight given, in determining the amount of benefit, to the length of time during which insurance contributions have been paid. Every weekly contribution beyond 200 paid by the Mexican worker increases his annual old-age or invalidity benefit by an equal amount. With continued insurance coverage—assuming 50 weekly contributions per year—the increment would result in doubling the basic benefit in about 18 years. Under the old-age and survivors insurance provisions in this country by contrast, the basic benefit is increased by 1 percent for each year of covered employment, that is, each year in which \$200 or more of wages under the system was earned. After 40 years of coverage, this increment would represent less than one-third of the total benefit amount.

Both systems have a basic benefit that is weighted in favor of the low wage earner. The Mexican act specifies a minimum old-age and invalidity benefit of 30 pesos monthly, or 40 percent of the first 75 pesos of monthly earnings. Under our Social Security Act, the first \$50 of average

earnings makes the retired worker eligible for a benefit equal to 40 percent of his wages (but not less than \$10 a month). The basic benefit above the minimum under the Mexican law is about 20 percent of the wage; each full year of contributions after the first 200 weeks results in an increment averaging about 7 percent of the basic benefit. In the United States, the person earning wages of \$75 a month receives a basic benefit of 30 percent (plus the increment), and the person earning \$250 per month receives 16 percent (plus increment).

An important difference between the laws of the United States and Mexico is that in this country the retirement benefit is increased by one-half when the insured individual has a wife 65 years of age or over. No such dependent's benefit is provided in the Mexican law. Thus, in the United States the retired worker with a wife would receive a basic benefit (exclusive of the increment) of 45 percent of his wages if he had been earning \$75 per month, and 24 percent if he had been earning \$250 per month. Significant aspects of the cash benefits of the Mexican system are summarized in table 2. Benefits are expressed as a proportion of basic wage to permit comparison with plans of other countries.

### Eligibility Conditions

Under the health insurance provisions of the Mexican law, mere possession of a social security account number entitles a worker and his

family to medical care, including surgery, hospitalization, and medicines. No period of contributions or employment is required. Eligibility for cash benefits during temporary disability requires only 6 weekly contributions during the 9 months immediately preceding the sickness. Cash maternity benefits are paid after 30 weekly contributions during the 10 months immediately preceding confinement.

For the longer-run risks, 200 weekly

contributions are required for permanent disability and survivor benefits, and 700 for old-age benefits. Benefits for permanent disability and survivor insurance can become payable, therefore, at the end of 1947, and old-age benefits in 1957. The eligibility requirement for old-age benefits is equivalent to 14 years of contributions, a rather long time in comparison with the period required under Federal old-age and survivors insurance in the United States. Here,

the original eligibility period (for workers then near retirement age) was only 1½ years when payment of benefits began in 1940; the maximum requirement of 10 years will be effective in 1957 and thereafter.

The eligibility conditions under the Mexican law may be summarized as follows:

Program	Weekly contributions to establish eligibility
Medical service.....	None.
Cash sickness benefit....	6 during the 9 months immediately preceding sickness.
Cash maternity benefit....	30 during the 10 months immediately preceding confinement.
Old-age benefit.....	700.
Permanent disability....	200.
Survivor benefits.....	200.

Old-age and permanent disability benefits are by law suspended during any period when the insured person performs work covered by the social insurance system. The law does not contain any similar provision for survivor benefits.

### Financing

Contributions for the social insurance system (exclusive of workmen's compensation) have been allocated under the Mexican law as follows:

Source	Total	Old-age and survivor disability insurance	Health <sup>1</sup>
Total.....	12.0	6.0	6.0
Employer.....	6.0	3.0	3.0
Employee.....	3.0	1.5	1.5
State.....	3.0	1.5	1.5

<sup>1</sup> Includes cost of medical care and of cash benefits for temporary disability and maternity.

Contributions are collected by means of a pay-roll reporting system. Contributions for workmen's accident compensation are collected along with other social insurance contributions.

A review of financial developments during the first 2 years (table 3) shows a total income for the period of 99.6 million pesos. Of this amount, 36.8 million pesos was spent and 62.7 million pesos represented accumulated reserves. The Government contribution totaled 21.4 million pesos, as compared with employer-employee contributions of 75.4 million, and interest and other income amounted to 2.8 million pesos. Total employer-employee contributions exceeded all disbursements by 38.6 million pesos in the 2 years. In the second year

Table 2.—Benefits as percent of basic wage and duration of benefits, Mexican social insurance system

Type of benefit	Benefits as percent <sup>1</sup> of basic wage (unless otherwise stated)	Benefits for dependents	Duration of benefits
<b>Occupational injuries</b>			
Worker:			
Temporary total disability.....	75.....	None.....	During disability up to 52 weeks.
Permanent total disability.....	66½.....	None.....	During disability.
Permanent partial disability.....	According to schedule in Federal Labor Code. <sup>2</sup>	None.....	During disability.
Survivor:			
Widow.....	24.....	20 percent of total disability benefit for each half orphan. <sup>3</sup>	Life or until remarriage for widow; <sup>4</sup> to age 16 for child. <sup>5</sup>
Children (whole orphans).....	20 <sup>3</sup> .....		To age 16. <sup>6</sup>
Parent (paid only if no wife or children qualify).....	22 <sup>6</sup> .....		Life.
Funeral grant.....	1 month's salary.....		Lump sum.
<b>Sickness (nonoccupational) and maternity</b>			
Temporary disability.....	40 <sup>7</sup> .....	None <sup>7</sup> .....	26 weeks (from 7th day).
Maternity (insured woman).....	40.....	None.....	42 days before and after confinement.
	100.....	None.....	8 days before and 30 days after confinement (if woman abstains from paid work).
Nursing benefit (insured woman). <sup>8</sup>	20.....	None.....	Up to 6 months.
Funeral grant.....	120 pesos.....		Lump sum.
<b>Invalidity, old-age, survivor</b>			
Permanent disability.....	20 plus 1.5 percent of basic wage for fifth and subsequent contribution years. <sup>9</sup>	None.....	During disability.
Old-age.....	20 plus 1.5 percent of basic wage for fifth and subsequent contribution years. <sup>9</sup>	None.....	Life.
Unemployment, ages 60-64.....	Not yet specified <sup>10</sup> .....		
Survivor:			
Widow <sup>11</sup> .....	8 plus 0.6 percent of basic wage for fifth and subsequent contribution years.	20 percent of benefit payable or paid for each half orphan. <sup>12</sup>	Life or until remarriage for widow; <sup>4</sup> to age 16 for child.
Children (whole orphans).....	6 plus 0.45 percent of basic wage for fifth and subsequent contribution years.		To age 16.

<sup>1</sup> Approximate; most benefits based on wage classes.

<sup>2</sup> Amount based on percent of disability sustained; if less than 16 pesos monthly, a lump sum equal to 5 times the annual benefit is paid.

<sup>3</sup> Sum of survivors' pensions may not exceed amount of permanent disability pension.

<sup>4</sup> In case of remarriage, lump sum is paid equal to 3 times the widow's annual benefit.

<sup>5</sup> Or beyond age 15 if child is totally incapacitated.

<sup>6</sup> Divided equally among dependent parents.

<sup>7</sup> Benefits suspended if insured is hospitalized; half benefit amount paid wife and children.

<sup>8</sup> In cash or kind; if cash, may not exceed half normal maternity benefit.

<sup>9</sup> Minimum benefit 30 pesos monthly.

<sup>10</sup> Will be specified in regulation later.

<sup>11</sup> May include common-law wife.

<sup>12</sup> Sum of survivors' benefits may not exceed the amount paid or payable to the insured principal.



Table 3.—Income, disbursements, and reserves under the Mexican social insurance program, January 1944–December 1945 and January–December 1945

[In millions of pesos]

Item	January 1944–December 1945	January–December 1945
Income, total.....	99.6	54.1
Employer-employee contributions.....	75.4	40.4
Sickness and maternity.....	32.5	17.4
Old-age, survivor, and disability.....	31.8	17.0
Workmen's compensation.....	11.1	6.0
Government contribution.....	21.4	11.5
Interest and incidental income.....	2.8	2.2
Disbursements, total.....	36.8	24.5
Benefits in kind.....	24.7	16.9
Cash benefits.....	3.7	2.3
Administrative expenses.....	8.5	5.3
Reserves, amount transferred to.....	62.7	29.6

alone, the margin of employer-employee contributions over expenses was 15.9 million pesos.

The legal provisions governing reserves make safety, liquidity, and income fundamental. They also emphasize the desirability of an investment policy designed to promote works of social utility. The following uses for reserves are prescribed: (1) purchase, construction, and maintenance of hospitals and other needed buildings; (2) workers' settlement programs (not to exceed 20 percent of total reserves); (3) mortgage loans, particularly for workers' houses; (4) bonds issued by the Federal and State Governments to finance public services, such as roads, electric power, sanitation, and other projects (not to exceed 20 percent); and (5) bonds issued by national credit institutions and Mexican industrial undertakings, provided these securities are the subject of frequent transactions (not to exceed 30 percent).

### Educational Program

A major problem in initiating any social security program is to acquaint employers, employees, and the public with their rights and obligations under the program.

Shortly after contributions became payable under the Mexican law, there were sit-down strikes, protests, and street demonstrations against the collection of the contributions. This outbreak was due partly to the fact that many large industrial and commercial firms had contracts with

unions under which the employer was making contributions to the union for covering risks similar to those covered under the Social Insurance Act. Under the new law, however, the employee himself had to contribute, and the employer's social insurance contributions were substantially less than his previous contributions to the union. Another cause of discontent was the fact that sufficient medical facilities and personnel had not yet been organized, although most of the large firms had well-organized clinics operating under their contracts with the unions.

These early difficulties were successfully surmounted through discussions with employers and employees. The Social Insurance Institute leased the clinical facilities and personnel of the private employer clinics and thus was able to meet its responsibilities. The prompt provision of medical services—including drugs and medicines supplied through pharmacies set up by the Institute—was a concrete indication to the insured worker and his family that he was getting something valuable in return for his contributions.

The problems still facing the Social Insurance Institute, however, are formidable, and their solution will demand a long and intensive educational program. One basic problem is the high death rate, which 10 to 15 years ago was several times that of the United States at that time (table 4).

Experience in administering the medical provisions indicated almost at once that malnutrition is a basic obstacle to early and complete recovery. The Institute is, therefore, starting a widespread campaign to inform the public—particularly mothers—of the important nutritional needs which can be met from available foods. At the same time the Mexican Government is undertaking a general campaign against illiteracy.

The fundamental difficulty, however, lies in the low wages of the working population. As already pointed out, about 75 percent of all insured workers in 1944 received not more than \$1.20 a day.

The visitor to Mexico is struck by the pertinence of Sir William (now Lord) Beveridge's statement that "social insurance should be treated as one part only of a comprehensive policy of

Table 4.—Death rates per 1,000 persons, by specified ages, in Mexico, 1929–33, and in the United States, 1929–31

Age	Mexico, 1929–33 <sup>1</sup>	United States, 1929–31 <sup>2</sup>		Ratio of Mexican to U. S. rates	
		White males	Negro males	White	Negro
All <sup>3</sup> .....	26.7	11.7	17.4	2.3	1.6
Less than 1.....	192.8	62.3	87.3	3.1	2.2
1.....	70.1	9.9	16.6	7.1	4.2
5.....	9.2	2.7	3.0	3.5	3.1
10.....	4.8	1.5	2.1	3.3	2.3
20.....	9.8	3.2	8.6	3.1	1.2
40.....	16.1	6.8	18.0	2.4	.9
65.....	54.2	38.6	50.7	1.4	1.1

<sup>1</sup> G. Mortara, *Estadística*, March 1944. Data are for both sexes combined.

<sup>2</sup> Bureau of the Census, *U. S. Life Tables, 1929 to 1931*, tables I-A, I-C.

<sup>3</sup> Crude death rates per 1,000 in 1930.

social progress. Social insurance . . . is an attack upon Want. But Want is only one of five giants on the road of reconstruction and in some ways the easiest to attack. The others are Disease, Ignorance, Squalor and Idleness."

The Mexican Social Insurance Institute has formulated a brief statement to guide its personnel in administering the program and to serve as an outline of objectives to the Mexican people. It is as follows:

The supreme wealth of nations is the health of the people.

Work is the emancipator's lever; sickness, a link of slavery.

Science and medical techniques are a human fight for the safeguard of useful lives.

The medical profession is not an instrument of profit but the task of a noble social service.

In the fight against sickness, each physician is a benefactor of humanity and a heroic soldier.

Medicines are articles of primary necessity. Social insurance places them above everything.

Social insurance sanatoria are homes for the health of the workers.

The protection of the home is the goal of social insurance.

Protection of the aged, the mothers, and the children is a safeguard for the past, the present, and the future.

He who earns more, pays more, for him who is suffering more.

The contributions to social insurance are returned to the city in the form of public works, such as hospitals, medicines, housing projects for the workers, schools . . .

The triumph of health leads the way to the betterment of the workers.

Those who fight against social insurance are enemies of their own community.

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age payment to Negro and to white families.

Income from payments of other types of public assistance and public aid programs was not significant. Only 9 percent of the families had such income, and it represented only 3 percent of the total cash income of all families.

### Nonmonetary Income

More than half the families assisted by aid to dependent children had some nonmonetary income from public aid, most often surplus food through the stamp plan or direct distribution; WPA-processed clothing was occasionally given. Very little medical care was provided families through the assistance payment. Only in the District of Columbia did voluntary agencies provide medical services to any considerable extent.

About two-fifths of the families had nonmonetary income from private sources. This income usually took the form of free living quarters and food and had a value of at least \$5 for somewhat more than one family in four. Such income, as would be expected, was more prevalent in the rural States than in urban areas.

In the postwar labor market, earnings may be a much less important source of income for families assisted by aid to dependent children. Under such conditions, families will have to depend to a greater degree on the assistance payment. Regardless of the extent to which it is possible for families to add to their incomes with earnings, however, the welfare of the dependent children depends largely on the adequacy of the assistance payment. The objectives of the program can be increasingly achieved only as assistance is made available to needy children who are now denied aid be-

cause of restrictions in policy or practice and as the amount of assistance provided is sufficient for the family to live on. Since this study was made, considerable gains have been made toward these goals. Some States have liberalized their policies governing the determination of eligibility. Many of the States making the study have removed or made some adjustment in their maximums so that they could provide more nearly adequately for needy people. During this period of rising living costs, average assistance payments in most of these States have increased substantially—in some States to a marked degree. In some cases these increases have more than offset the rise in living costs and represent an improved level of living. These adjustments in the programs indicate efforts by the States to meet the needs of children under rapidly changing social and economic conditions.

## Employment Security

### Unemployment Claims and Benefits

#### State Programs

Although the employment situation in May was affected by the repercussions of the soft-coal dispute, the threat of an extended railroad tie-up, and numerous other lesser labor troubles, continued claims for unemployment insurance declined from the April total. Initial claims rose, however, partly because of administrative factors and partly because of the coal dispute.

The chief factor contributing to the rise of initial claims from 978,000 to 1,120,000 was the large number of "transition" claims—202,900—filed in New York by claimants in current compensable status to establish their benefit rights in the new benefit year beginning June 3. These claims do not represent new unemployment. If they are excluded from the national total, initial claims declined by 60,900. The effects of the coal dispute were manifested in various forms, such as freight embargos, "dim-out" orders, curtailment of steel production, which dropped from 89 percent of capacity before the dispute to 44 percent in the last week of May, and stoppage in the flow of materials from plants directly affected by the dispute. These effects reached a peak during the week ended May 11, when initial claims jumped from 173,900 to 225,400. Among the States which attributed most of their increased claims to the coal situation during that week were Illinois, Indiana, and Michigan. In these States combined, claims rose 51,600 during that week as against a drop of 200 for the rest of the country. However, the effects of the dispute diminished rapidly through the latter weeks of the month, and few if any of these claimants reached compensable status. Thirty-three States reported fewer initial claims than in April. Substantial declines were reported by each of the 9 States which started a new benefit year during April, when a large volume of claims was received from claimants entering the new benefit year.

Continued claims declined from

6,648,800 to 6,492,000 during May, despite increases of 136,600 in Pennsylvania and 60,100 in Illinois. Declines of 20,000 or more occurred in Missouri, New York, Ohio, Oregon, and Washington. Unemployment during the week ended May 11, as represented by the ratio of continued claims to average monthly covered employment in 1945, was 5.2 percent, in comparison with 5.6 percent in April and 6.8 percent in March. Eleven States, all east of the Mississippi River, showed increases from their April ratios; Rhode Island's increase was the largest, from 8.3 to 9.6 percent. In 9 other States, on the other hand, the ratios dropped at least 1 percentage point.

The average weekly number of persons drawing unemployment insurance benefits declined from 1,402,000 to 1,315,000 during May—the fourth consecutive monthly decline. New Jersey, New York, and Pennsylvania reported the largest decreases.

Benefit payments totaled \$103.9 million, about \$6.8 million less than was disbursed in April; it was, however, nearly \$100 million more than was paid in May 1945. As was expected, all nine States which began a new benefit year in April reported a rise in payments in May. Illinois' disbursements were \$1.9 million more. On the other hand, in New Jersey, New York, and Pennsylvania, payments fell more than \$1 million.

Funds available for payment of benefits at the end of May totaled \$6.8 billion, approximately \$32 mil-

lion more than was on hand at the end of April. May was the first month since October 1945 in which this total increased.

**Region I.**—All the New England States reported decreases in initial claims during May, while all but Connecticut and New Hampshire reported more continued claims; compensable claims, however, increased in Connecticut. The opposite trends in the two types of claims can be attributed to the fact that each of these States began a new benefit year in April. Many claimants currently in compensable status filed initial claims in April to establish benefit rights in the new benefit year. In addition, others who had previously exhausted benefit rights availed themselves of additional benefits when new base-period wage credits became effective. This group probably accounted for the rise in the average weekly number of beneficiaries in every State in the region.

Connecticut's 9,000 initial claims were only one-fourth the April number. The coal dispute caused few layoffs in the State because of lack of coal or material. It did, however, retard industrial expansion, preventing a drop in beneficiaries such as occurred in April. The great bulk of the May claimants consisted of elderly workers who had jobs during the war but whom employers evidently considered marginal workers and were not interested in employing. Available jobs were generally below the wage scales these claimants were willing to accept. Large-scale construction projects, which would have created job openings, failed to develop because materials were lacking.

Table 1.—Summary of unemployment compensation operations, May 1946

Item	Number or amount	Amount of change from—	
		April 1946	May 1945
Initial claims.....	1 1,120,000	+142,000	+900,000
Continued claims.....	1 6,492,000	-157,000	+5,874,000
Weeks compensated.....	2 5,698,000	-379,000	+5,273,000
First payments <sup>3</sup> .....	369,162	-9,758	+318,745
Exhaustions <sup>4</sup> .....	128,363	+23,432	+119,332
Weekly average beneficiaries.....	1 1,315,000	-87,000	+1,217,000
Benefits paid <sup>5</sup> .....	2 \$103,888,000	-6,784,000	+96,844,000
Benefits paid since first payable <sup>6</sup> .....	\$3,195,341,498		
Funds available as of May 31 <sup>7</sup> .....	\$6,787,403,443	+32,531,838	+129,259,646

<sup>1</sup> Includes estimated data for California and Idaho.

<sup>2</sup> Includes estimated data for California, Idaho, Indiana, Ohio, and Wyoming.

<sup>3</sup> Excludes California, Idaho, Indiana, Ohio, and Wyoming; data not reported.

<sup>4</sup> Excludes Wisconsin; data not comparable.

<sup>5</sup> Gross; not adjusted for voided benefit checks

and transfers under interstate combined wage plan.

<sup>6</sup> Net; adjusted for voided benefit checks and transfers under interstate combined wage plan. Includes California, Louisiana, and Massachusetts as of Apr. 30, 1946.

<sup>7</sup> Includes California, Louisiana, and Massachusetts as of Apr. 30, 1946.



Unemployment, in terms of the ratio of continued claims to covered workers, ranged from 1.7 percent in New Hampshire to 9.6 percent in Rhode Island. Rhode Island and Ok-

lahoma, with the same ratio, were the highest in the Nation. Of the six New England States, only Maine and Rhode Island had ratios above the national average.

**Region II-III.**—The unemployment ratio in all four States dropped somewhat from the April figure, although New Jersey and Pennsylvania were still above the national average. Ini-

Table 2.—Initial claims received in local offices, by State, May 1946

[Data reported by State agencies; corrected to June 15, 1946]

Social Security Board region and State	Total <sup>1</sup>				New	
	All claimants	Amount of change from—		Women claimants	Inter-state as percent of total	All claimants
		April 1946	May 1945			
Total <sup>1</sup>	1,120,000	+142,000	+900,000			
Region I:						
Conn.	8,983	-31,735	+4,717	4,044	6.6	7,605
Maine	3,353	-7,892	+1,447	1,094	7.0	2,842
Mass.	31,205	-13,753	+23,969	13,384	3.2	28,369
N. H.	1,607	-721	+1,156	659	23.8	1,374
R. I.	5,839	-5,569	+3,839	1,906	4.9	5,160
Vt.	1,026	-1,176	+941	383	12.5	943
Region II-III:						
Del.	1,695	-66	+1,156	597	15.3	1,242
N. J.	29,601	-122	+19,256	11,261	4.9	19,139
N. Y.	321,736	+211,042	+265,048	139,616	1.3	251,959
Pa.	108,079	+24,390	+84,834	16,726	3.3	63,325
Region IV:						
D. C.	1,064	-64	+871	357	28.7	981
Md.	15,913	-48,936	+14,756	5,394	3.2	12,432
N. C.	7,454	-613	+5,906	4,609	13.9	5,383
Va.	22,572	+17,830	+21,244	11,109	4.9	22,495
W. Va.	10,887	-4,974	+9,095	2,347	21.8	9,591
Region V:						
Ky.	10,128	-3,173	+7,794	2,772	29.2	8,332
Mich.	108,372	+56,692	+76,850	19,435	2.0	46,142
Ohio	29,322	+121	+26,681	6,997	6.3	29,322
Region VI:						
Ill.	113,987	-45,329	+95,155	39,107	3.3	103,324
Ind.	35,802	+16,449	+32,833	9,711	2.9	22,573
Wis.	13,859	+7,995	+11,913	3,055	4.2	10,482
Region VII:						
Ala.	9,531	+2,163	+8,352	2,266	10.3	7,511
Fla.	7,136	+810	+5,543	3,046	23.4	5,549
Ga.	5,969	-179	+5,059	2,467	11.2	3,999
Miss.	2,596	-312	+1,916	1,024	32.4	2,262
S. C.	4,093	+1,450	+3,462	1,631	11.7	3,583
Tenn.	9,770	-2,157	+7,605	3,503	14.0	8,062
Region VIII:						
Iowa	4,548	+116	+4,051	1,933	15.4	3,423
Minn.	8,229	+1,987	+7,562	2,108	11.1	5,665
Nebr.	1,613	-102	+1,497	741	18.2	1,134
N. Dak.	388	+3	+376	149	57.7	342
S. Dak.	292	-47	+244	144	60.3	263
Region IX:						
Ark.	5,021	-753	+4,244	1,469	48.5	4,420
Kans.	6,269	+168	+5,795	2,457	23.6	4,419
Mo.	22,877	-50	+20,966	8,034	13.5	14,214
Okl.	7,904	-1,096	+7,157	2,657	29.3	6,088
Region X:						
La.	10,168	+982	+8,414	2,742	11.9	7,943
N. Mex.	804	-474	+75	206	57.7	739
Tex.	13,885	-1	+12,159	4,234	15.6	13,885
Region XI:						
Colo.	2,597	-4,954	+2,380	700	30.4	2,446
Idaho <sup>2</sup>						
Mont.	1,706	-1,352	+1,599	470	28.9	1,267
Utah	1,833	-2,505	+1,753	96	16.3	1,108
Wyo.	326	-109	+319	130	50.6	287
Region XII:						
Ariz.	2,324	-330	+2,042	768	42.5	1,866
Calif. <sup>3</sup>						
Nev.	736	-191	+690	321	25.0	626
Oreg.	7,979	-1,628	+7,123	2,917	11.6	4,903
Wash.	12,354	-5,779	+11,429	3,946	9.6	7,100
Territories:						
Alaska	85	-106	+73	18	24.7	53
Hawaii	80	-47	+47	17	32.0	44

<sup>1</sup> Includes additional claims except in Ohio and Texas, which have no provisions for filing such claims.

<sup>2</sup> Includes estimates for California and Idaho.

<sup>3</sup> Since Wisconsin has no provision for a benefit year, a new claim is the first claim filed by a worker with respect to each period of total or part-total unemployment.

<sup>4</sup> Data not available.

Table 3.—Continued claims received in local offices, by State, May 1946

[Data reported by State agencies; corrected to June 15, 1946]

Social Security Board region and State	Total <sup>1</sup>				Compensable	
	All claimants	Amount of change from—		Women claimants	Inter-state as percent of total	All claimants
		April 1946	May 1945			
Total <sup>1</sup>	6,492,000	-157,000	+5,874,000			
Region I:						
Conn.	64,991	-18,959	+55,232	28,377	6.3	58,247
Maine	43,331	+51	+34,208	15,478	6.2	41,133
Mass.	254,822	+16,725	+234,239	105,817	3.8	230,093
N. H.	8,357	-1,082	+6,720	3,852	26.6	7,810
R. I.	87,407	+12,452	+77,324	25,723	3.5	83,189
Vt.	7,857	+867	+7,311	4,681	18.7	6,615
Region II-III:						
Del.	12,059	-890	+10,455	5,133	21.8	11,328
N. J.	364,797	-113	+338,041	148,086	3.2	348,619
N. Y.	801,977	-64,107	+713,700	355,787	3.6	720,862
Pa.	794,231	+130,561	+758,353	168,360	4.3	693,389
Region IV:						
D. C.	10,163	+715	+8,827	2,913	14.4	9,565
Md.	128,081	+16,141	+120,905	55,254	1.5	128,081
N. C.	59,918	+5,919	+54,540	41,476	13.7	56,004
Va.	50,929	+8,038	+47,891	28,220	20.3	43,228
W. Va.	105,989	+6,843	+100,736	27,728	23.0	103,157
Region V:						
Ky.	106,863	+9,881	+98,086	29,525	35.5	101,317
Mich.	397,997	+29,573	+290,801	143,525	3.4	375,412
Ohio	344,393	-32,145	+357,853	128,812	4.0	292,003
Region VI:						
Ill.	511,035	+60,107	+454,490	231,001	4.7	475,543
Ind.	138,219	-11,214	+129,142	45,809	6.4	123,435
Wis.	50,670	-12,372	+46,670	22,612	10.2	44,913
Region VII:						
Ala.	53,192	-7,340	+47,215	16,625	22.4	49,464
Fla.	41,726	-1,901	+32,013	16,092	31.3	38,646
Ga.	51,015	-8,868	+46,235	22,467	13.1	44,879
Miss.	27,046	-2,731	+24,765	9,665	44.6	25,783
S. C.	21,227	-283	+17,987	9,556	22.1	18,243
Tenn.	128,257	+20,714	+118,172	46,250	14.9	118,639
Region VIII:						
Iowa	35,729	-5,841	+32,438	15,692	21.9	32,632
Minn.	50,201	-11,185	+47,304	17,228	17.6	46,811
Nebr.	15,444	-2,071	+14,813	7,845	20.5	14,226
N. Dak.	4,550	-1,245	+4,436	1,924	73.3	4,483
S. Dak.	3,878	-519	+3,451	2,051	74.9	3,303
Region IX:						
Ark.	66,411	-7,492	+63,527	21,589	67.0	65,128
Kans.	55,944	-7,732	+53,747	24,950	25.6	53,121
Mo.	165,599	-32,075	+158,209	58,732	24.3	150,740
Okl.	70,226	-5,379	+67,696	24,178	51.3	67,393
Region X:						
La.	57,849	-9,597	+51,648	15,617	22.5	53,835
N. Mex.	7,732	-1,156	+7,451	1,958	75.9	7,497
Tex.	85,481	-11,297	+76,450	29,760	29.4	76,150
Region XI:						
Colo.	21,905	+3,907	+20,946	8,566	31.8	17,582
Idaho <sup>2</sup>						
Mont.	18,258	-3,997	+17,564	6,972	37.2	17,048
Utah	24,070	-9,298	+23,573	143	13.0	23,463
Wyo.	2,357	-773	+2,324	1,117	47.2	2,152
Region XII:						
Ariz.	17,588	-2,375	+16,500	5,972	47.5	16,804
Calif. <sup>3</sup>						
Nev.	5,151	-902	+4,899	2,409	29.3	4,969
Oreg.	113,545	-27,135	+110,008	43,960	8.8	109,110
Wash.	189,561	-33,712	+185,226	70,256	5.9	182,726
Territories:						
Alaska	772	-911	+690	201	15.7	749
Hawaii	248	+80	+238	160	32.7	216

<sup>1</sup> Includes waiting-period claims except in Maryland, which has no provision for filing such claims.

<sup>2</sup> Includes estimates for California and Idaho.

<sup>3</sup> Data not available.

tial claims rose in every State but New Jersey, while continued claims dropped in all but Pennsylvania. Substantial declines occurred in each State in the average weekly number of beneficiaries. The amount paid in benefits dropped more than a million

dollars in all States but Delaware.

In New Jersey both types of claims remained within 100 of the preceding month's levels, but the average weekly number of beneficiaries dropped from 91,700 to 77,000—the fourth month this figure has declined.

The slump in the garment and textile industries after Easter was offset by a general increase in industrial employment.

The 211,000 rise in initial claims in New York reflected the receipt of 202,900 initial transitional claims filed by

Table 4.—Number of beneficiaries, number of weeks compensated, and average weekly payment for total unemployment, by State, May 1946

[Data reported by State agencies; corrected to June 15, 1946]

Social Security Board region and State	Beneficiaries			Weeks compensated for unemploy- ment			Benefits paid <sup>1</sup>			Average weekly payment for total unemploy- ment
	Average weekly number	Amount of change from—		All types	Total	Other <sup>1</sup>	Amount	Amount of change from—		
		April 1946	May 1945					April 1946	May 1945	
Total <sup>2</sup>	1,315,000	-87,000	+1,217,000	5,698,000			\$103,888,000	-\$6,784,000	+\$96,844,000	\$18.41
Region I:										
Connecticut	19,671	+3,476	+18,144	85,239	83,464	1,775	1,781,485	+306,010	+1,658,695	21.03
Maine	8,686	+2,491	+7,169	37,638	35,592	2,046	558,753	+155,059	+467,133	15.03
Massachusetts	49,406	+13,747	+45,976	214,091	210,332	3,759	4,409,721	+1,398,038	+4,170,513	20.78
New Hampshire	1,537	+389	+1,282	6,659	6,439	220	87,057	+18,758	+74,425	13.26
Rhode Island	19,017	+3,341	+16,860	82,408	77,469	4,939	1,391,901	+230,201	+1,245,508	17.30
Vermont	1,217	+273	+1,133	5,275	5,080	195	86,443	+18,880	+81,035	16.59
Region II-III:										
Delaware	2,370	-303	+2,070	10,271	9,776	495	163,664	-26,087	+142,963	16.35
New Jersey	77,041	-14,666	+72,613	333,843	327,519	6,324	6,774,286	-1,254,415	+6,469,312	20.47
New York	165,116	-19,626	+151,034	715,499	684,792	30,707	13,423,806	-1,721,695	+12,416,796	19.15
Pennsylvania	122,990	-16,413	+120,867	532,953	( <sup>3</sup> )	( <sup>3</sup> )	9,850,146	-1,264,057	+9,704,192	( <sup>3</sup> )
Region IV:										
District of Columbia	1,946	-33	+1,664	8,432	8,336	96	145,762	-2,866	+124,056	17.31
Maryland	36,027	+5,753	+34,323	156,115	150,651	5,464	2,905,815	+456,701	+2,797,627	18.92
North Carolina	11,048	+2,342	+10,153	47,876	46,595	1,281	531,855	+92,114	+497,658	11.23
Virginia	7,653	-782	+7,184	33,163	31,486	1,677	406,446	-49,045	+386,195	12.57
West Virginia	16,108	+1,407	+15,549	69,801	62,407	7,394	1,121,211	+86,799	+1,083,847	16.10
Region V:										
Kentucky	11,976	-3,485	+10,925	51,894	51,306	588	650,587	-162,980	+605,816	12.59
Michigan	83,450	+6,487	+66,727	361,615	347,611	14,004	7,434,474	+632,638	+6,032,910	20.57
Ohio <sup>4</sup>										
Region VI:										
Illinois	95,555	+23,315	+86,188	414,069	400,889	13,180	7,703,062	+1,909,136	+6,982,725	18.86
Indiana <sup>4</sup>	9,684	-2,825	+9,194	41,964	38,571	3,393	720,312	-223,309	+689,540	17.61
Wisconsin										
Region VII:										
Alabama	19,072	-1,799	+17,896	82,647	80,465	2,182	1,347,655	-149,389	+1,286,038	16.42
Florida	7,276	+530	+5,466	31,528	30,728	800	441,864	+27,986	+342,258	14.16
Georgia	9,113	-967	+8,316	39,488	39,024	464	588,859	-75,090	+547,511	14.96
Mississippi	3,351	-23	+3,026	14,521	14,038	483	184,721	-6,293	+169,093	12.86
South Carolina	2,988	+300	+2,555	12,947	12,617	330	174,813	+12,822	+156,278	13.63
Tennessee	20,962	-3,046	+19,744	90,836	89,742	1,094	1,210,827	-195,662	+1,151,749	13.39
Region VIII:										
Iowa	5,752	-1,147	+5,194	24,925	23,674	1,251	380,933	-74,893	+351,758	15.58
Minnesota	16,735	-2,959	+16,235	72,517	69,587	2,930	1,185,427	-222,684	+1,157,276	16.59
Nebraska	3,151	-420	+3,067	13,655	12,948	707	215,832	-32,160	+211,655	16.07
North Dakota	301	-187	+281	1,305	1,158	147	21,244	-13,915	+20,327	16.88
South Dakota	239	-100	+194	1,034	889	145	13,238	-6,090	+11,335	13.10
Region IX:										
Arkansas	4,351	-1,800	+4,117	18,856	18,529	327	226,943	-95,263	+216,065	12.10
Kansas	13,276	-3,033	+12,943	57,528	55,705	1,823	855,292	-200,480	+837,641	15.04
Missouri	27,267	-1,885	+26,126	118,155	116,070	2,085	1,910,561	-133,898	+1,843,344	16.33
Oklahoma	14,141	-1,645	+13,880	61,277	59,452	1,825	1,018,361	-121,334	+1,003,163	16.73
Region X:										
Louisiana	15,300	-7,424	+14,290	66,299	62,770	3,529	1,014,252	-498,702	+951,170	15.63
New Mexico	539	-63	+515	2,337	2,298	39	31,310	-3,639	+30,215	13.46
Texas	30,786	+8,654	+29,730	133,404	128,974	4,430	2,078,319	+579,416	+2,023,064	15.78
Region XI:										
Colorado	2,786	+1,364	+2,637	12,073	11,832	241	168,147	+87,959	+161,146	13.97
Idaho <sup>4</sup>										
Montana	2,166	-570	+2,047	9,388	9,388	( <sup>1</sup> )	124,391	-35,292	+118,349	13.25
Utah	4,588	-942	+4,462	19,881	18,967	914	455,325	-97,240	+445,082	23.23
Wyoming <sup>4</sup>										
Region XII:										
Arizona	2,654	+293	+2,554	11,499	11,336	163	164,724	+16,708	+158,717	14.40
California <sup>4</sup>										
Nevada	894	+70	+848	3,872	3,793	79	69,206	+5,767	+66,304	17.98
Oregon	27,579	-7,748	+27,142	119,507	117,208	2,299	2,045,477	-535,841	+2,020,574	17.06
Washington	47,888	-11,270	+46,344	205,348	199,512	5,836	4,328,205	-996,004	+4,262,735	21.26
Territories:										
Alaska	679	-272	+649	2,944	2,893	51	46,007	-18,323	+44,029	15.74
Hawaii	158	+56	+156	684	664	20	14,253	+4,469	+14,115	21.21

<sup>1</sup> Includes all weeks compensated for less than total unemployment. Excludes Montana, which has no provision for payment of other than total unemployment.

<sup>2</sup> Gross: not adjusted for voided benefit checks and transfers under interstate combined wage plan.

<sup>3</sup> Includes estimated data for California, Idaho, Indiana, Ohio, and Wyoming.

<sup>4</sup> Data not available.

persons in active compensable status, who established benefit rights for the new benefit year beginning June 3. The effect of the coal dispute was felt particularly in the Buffalo area, where curtailed manufacturing resulted in an increase in initial claims early in the month. Continued claims, however, declined from 866,100

to 802,000. A decline of 19,600 in average weekly number of beneficiaries brought them to the lowest level since December 1945.

In Pennsylvania, initial claims rose from 83,700 to 108,100, while continued claims went from 657,700 to 794,200. More than half the rise in continued claims came from an increase of 72,400 in waiting-period claims filed chiefly by miners who had completed their disqualification period.

Region IV.—Initial claims were below the April levels in all States except Virginia, but continued claims rose in all five States. Only the District of Columbia and Virginia reported fewer beneficiaries. The unemployment ratio rose in every State but Virginia; only Maryland and West Virginia were above the national average, however.

The drop of 48,900 in initial claims in Maryland was due to the abnormally large volume received in the preceding month, when a new benefit year began. The increase of 16,100 in continued claims reflects chiefly claimants who started a new benefit year in April.

Although initial claims dropped slightly in North Carolina, a considerable volume of claims was received in the latter part of the month from textile workers, chiefly women, separated from work when coal was lacking. Some claims were received after seasonal operations ended in the tobacco industry. In Virginia a new benefit year beginning May 1 and secondary effects of the coal dispute caused initial claims to jump from 4,700 to 22,600. More than half the increase of 8,000 in continued claims came from waiting-period claims incident to the new benefit year. Material shortages resulting from the labor disputes also contributed to the rise in continued claims.

West Virginia's initial claims dropped by 5,000 with the settlement of the coal dispute and the consequent halting of lay-offs among workers in other industries affected by the dispute.

Region V.—Unemployment, in terms of the ratio of continued claims to covered employment, increased in Kentucky, but declined in Michigan and Ohio. In Kentucky and Michigan the ratios were well above the na-

tional average. Kentucky was the only one of the three States reporting fewer initial claims and only Ohio had fewer continued claims.

Michigan's 108,400 initial claims were more than double the number received in April. This increase was attributed to the coal shortage and the resulting freight embargo. Nearly half the initial claims were filed by workers experiencing their second or subsequent spell of unemployment during the benefit year. A relatively smaller increase occurred in continued claims.

Initial claims in Ohio remained at the April level, but continued claims dropped from 376,500 to 344,400. The fewer initial claims received from coal miners were offset by increased claims from other industries hit by shortages of coal and other materials—particularly steel mills in the Youngstown area. More than half the decline in continued claims was due to exhaustion of benefit rights.

Region VI.—Of the 3 States in the region, only Illinois reported a decline in initial claims and increases in continued claims and in the unemployment ratio. The drop in initial claims in Illinois is misleading, however, since the April totals were inflated by approximately 70,000 initial claims from persons in compensable status at the beginning of the new benefit year on April 1. If these claims are excluded, initial claims actually rose by about 25,000. This increase was due to the dim-out regulation, incidental to the coal dispute, which resulted in the temporary closing of various amusement and other business places. Continued claims rose by 60,100, but the average weekly number of beneficiaries increased only 23,300.

In Indiana the 35,800 initial claims received were nearly double the number in April. The coal dispute and related material shortages, particularly in the more industrialized centers, were chiefly responsible although a temporary shut-down of an automobile plant in South Bend contributed somewhat. A decline of 11,200 in continued claims, however, indicated that the unemployment was only temporary. Waiting-period claims actually rose but were more than offset by the drop of 17,600 in compensable claims. Wisconsin's claims followed

Table 5.—Unemployment as reflected by continued claims filed for unemployment insurance in May 1946<sup>1</sup> as percent of average monthly covered employment in 1945

Social Security Board region and State	Claims, week ended May 11	Average monthly covered employment <sup>2</sup> (in thousands)	Claims as percent of covered employment
Total.....	1,453,979	27,903.1	5.2
Region I:			
Connecticut.....	23,518	564.0	4.2
Maine.....	9,608	156.4	6.1
Massachusetts.....	56,591	1,314.7	4.3
New Hampshire.....	1,787	107.7	1.7
Rhode Island.....	20,483	212.5	9.6
Vermont.....	1,621	55.7	2.9
Region II-III:			
Delaware.....	2,593	75.7	3.4
New Jersey.....	76,238	1,116.0	6.8
New York.....	176,477	3,760.9	4.7
Pennsylvania.....	146,102	2,601.7	5.6
Region IV:			
District of Columbia.....	2,273	188.7	1.2
Maryland.....	28,430	465.8	6.1
North Carolina.....	13,052	524.1	2.5
Virginia.....	8,934	416.2	2.1
West Virginia.....	23,310	325.9	7.2
Region V:			
Kentucky.....	25,047	308.2	8.1
Michigan.....	89,808	1,354.8	6.6
Ohio.....	72,473	1,857.2	3.9
Region VI:			
Illinois.....	107,098	2,067.9	5.2
Indiana.....	30,384	779.1	3.9
Wisconsin.....	11,145	638.2	1.7
Region VII:			
Alabama.....	22,128	394.0	5.6
Florida.....	8,950	317.6	2.8
Georgia.....	11,557	453.5	2.5
Mississippi.....	6,206	155.0	4.0
South Carolina.....	5,690	247.1	2.3
Tennessee.....	29,398	465.8	6.3
Region VIII:			
Iowa.....	7,758	288.1	2.7
Minnesota.....	21,218	455.7	4.7
Nebraska.....	3,440	138.0	2.5
North Dakota.....	1,114	29.7	3.8
South Dakota.....	868	37.1	2.3
Region IX:			
Arkansas.....	16,016	193.0	8.3
Kansas.....	12,963	223.6	5.8
Missouri.....	38,125	698.4	5.5
Oklahoma.....	23,047	241.2	9.6
Region X:			
Louisiana.....	21,363	356.8	6.0
New Mexico.....	1,828	59.8	3.1
Texas.....	19,290	958.0	2.0
Region XI:			
Colorado.....	5,021	157.6	3.2
Idaho.....	2,270	66.6	3.4
Montana.....	3,990	71.1	5.6
Utah.....	5,486	96.1	5.7
Wyoming.....	566	39.6	1.4
Region XII:			
Arizona.....	3,928	81.4	4.8
California.....	186,075	1,973.1	9.4
Nevada.....	1,162	29.2	4.0
Oregon.....	24,201	279.0	8.7
Washington.....	43,269	505.6	8.6

<sup>1</sup> Estimated number of continued claims in week in which the 8th of the month falls.

<sup>2</sup> Represents workers in covered employment in the pay period of each type (weekly, semimonthly, etc.) ending nearest the 15th of the month.

the same trend as those in Indiana, with much the same economic factors involved.

**Region VII.**—Except for South Carolina and Tennessee, the unemployment ratio declined in each of the six States in this region, and only Alabama and Tennessee had ratios above the national average. Continued claims declined in all States but Tennessee. Alabama, Georgia, and Tennessee have reported a decrease in the

average number of beneficiaries each month since February.

The coal dispute and the related curtailment in the steel and iron industries accounted for the rise of 2,200 in Alabama's initial claims. The decline of 7,300 in continued claims and of 1,800 in average weekly number of beneficiaries was partly due to the 4,400 persons who exhausted their wage credits during the month. Initial claims in South Car-

olina rose by 1,500, after textile plants curtailed operations because of lack of coal, but continued claims showed a slight decline. In Tennessee initial claims dropped by 2,200, mainly as a result of the large volume which had been filed by miners in April. A number of claims were received from workers laid off from an automobile plant in May.

**Region VIII.**—Declines in continued claims, in the average weekly number of beneficiaries, and in the unemployment ratio were reported by all five States. Only Nebraska and South Dakota, however, reported a decrease in initial claims. In Minnesota the increase of 2,000 in initial claims was the result of a labor dispute in the Minneapolis-St. Paul area and lay-offs in the Duluth area because of the coal situation.

**Region IX.**—The unemployment ratio dropped in all four States but remained above the national average in each of the four. Oklahoma's ratio dropped from 10.3 to 9.6 percent, but the May figure—the same as Rhode Island's—was still the highest in the country. Except for Kansas, which reported a small rise in initial claims, all States had declines in both types of claims.

In Missouri an automobile plant shut down at Kansas City and prevented a greater decline in initial claims. About 38 percent of the unemployed who filed initial claims were experiencing a second or subsequent spell of unemployment in their benefit year. Missouri's continued claims dropped from 197,700 to 165,600, the greatest relative drop for any State in the region. Approximately 6,600 of this decline represented exhaustion of benefit rights.

**Region X.**—Only Louisiana reported an increase in initial claims, while all three States showed declines in continued claims. Unemployment in terms of the ratio of continued claims to average monthly covered employment was down in every State, with only Louisiana's ratio—6.0 percent—above the national average.

In Louisiana the increase of 1,000 in initial claims was partly due to the closing down of lottery shops and other gambling establishments on the eve of the inauguration of elected officials in the city of New Orleans. Nearly half of the drop of 7,400 in

Table 6.—Interstate claims received, weeks compensated by interstate payments, and amount of interstate benefit payments, by liable State, April 1946

[Data reported by State agencies; corrected to June 15, 1946]

Social Security Board region and liable State	Initial		Continued		Weeks compensated	Benefit payments
	Total	Women	Total	Women		
Total.....	81,389	35,579	702,304	290,403	1,432,319	\$7,923,842
Region I:						
Connecticut.....	4,489	1,952	13,526	5,508	8,460	184,018
Maine.....	261	115	961	381	( <sup>1</sup> )	( <sup>2</sup> )
Massachusetts.....	1,199	670	4,805	2,108	3,732	73,355
New Hampshire.....	150	65	724	297	3,353	4,356
Rhode Island.....	693	296	5,738	1,897	4,632	79,414
Vermont.....	270	115	627	234	493	9,057
Region II-III:						
Delaware.....	249	86	1,785	581	1,679	28,848
New Jersey.....	1,758	779	20,223	9,580	20,031	416,147
New York.....	2,245	1,189	27,048	15,258	29,847	572,370
Pennsylvania.....	2,427	857	17,633	6,337	10,497	195,747
Region IV:						
District of Columbia.....	439	235	3,126	1,865	2,457	42,977
Maryland.....	14,667	6,513	31,232	13,749	22,153	434,321
North Carolina.....	573	338	4,332	2,651	3,745	46,401
Virginia.....	727	359	5,875	2,690	4,795	65,132
West Virginia.....	719	162	5,619	1,551	2,966	47,806
Region V:						
Kentucky.....	575	175	5,245	2,318	3,842	49,293
Michigan.....	3,185	1,393	31,800	13,130	18,132	364,292
Ohio.....	3,183	1,142	41,228	17,730	25,871	511,786
Region VI:						
Illinois.....	5,464	2,742	30,001	13,940	21,372	404,449
Indiana.....	2,456	791	26,298	7,471	47,981	927,328
Wisconsin.....	499	189	5,413	1,521	3,932	74,424
Region VII:						
Alabama.....	839	296	11,473	5,598	9,593	178,067
Florida.....	1,270	528	8,057	3,294	5,295	75,067
Georgia.....	732	423	6,747	3,462	4,089	64,432
Mississippi.....	323	170	2,707	1,237	1,624	21,754
South Carolina.....	247	130	1,532	881	741	11,018
Tennessee.....	2,143	603	24,442	6,927	15,844	224,847
Region VIII:						
Iowa.....	324	175	2,401	981	1,841	30,534
Minnesota.....	449	218	4,377	2,013	2,871	48,370
Nebraska.....	315	187	3,264	1,818	2,344	37,620
North Dakota.....	45	21	320	102	240	4,261
South Dakota.....	47	36	233	132	139	1,904
Region IX:						
Arkansas.....	392	138	3,483	1,546	2,150	26,628
Kansas.....	1,839	735	24,849	9,977	23,918	366,318
Missouri.....	1,420	781	17,204	9,669	8,798	143,708
Oklahoma.....	944	449	8,558	4,276	7,277	122,581
Region X:						
Louisiana.....	754	327	7,461	2,868	5,824	95,345
New Mexico.....	123	54	1,318	524	940	12,803
Texas.....	2,040	771	23,122	8,101	5,800	95,593
Region XI:						
Colorado.....	884	451	2,566	1,368	729	9,593
Idaho.....	186	83	3,708	313	708	11,593
Montana.....	125	34	1,049	383	801	10,855
Utah.....	350	102	2,037	647	1,436	33,447
Wyoming.....	175	49	1,131	362	685	13,210
Region XII:						
Arizona.....	624	276	3,344	1,454	2,301	33,412
California.....	12,516	5,820	160,931	67,094	( <sup>3</sup> )	( <sup>3</sup> )
Nevada.....	204	99	1,505	646	1,122	20,194
Oregon.....	1,152	529	33,043	14,991	29,390	490,956
Washington.....	4,296	1,906	36,894	21,899	55,575	1,153,404
Territories:						
Alaska.....	361	18	3,966	172	2,969	47,041
Hawaii.....	42	7	343	61	335	7,946

<sup>1</sup> Excludes California and Maine; data not reported.

<sup>2</sup> Data not reported.

<sup>3</sup> Estimated by State agency.



average weekly number of beneficiaries was due to the exhaustion of wage credits. Texas' initial claims remained at the April levels, but continued claims declined from 96,800 to 85,500. Beneficiaries, however, rose from 22,100 to 30,800.

**Region XI.**—Initial claims were below April levels in the four States for which data are available, and only Colorado showed an increase in continued claims. Of the five States in the region, only Colorado had a higher unemployment ratio than in April.

The drop of 5,000 in initial claims in Colorado followed an abnormally large volume in April of initial claims received at the beginning of the new benefit year and of claims filed by miners while the coal dispute was in progress. The increase of 3,900 in continued claims and of 1,400 in average weekly number of beneficiaries was probably due to the beginning of a new benefit year in April. In Montana the settlement of a labor dispute at Anaconda accounted for part of the decline in both types of claims. The

1,800 initial claims in Utah were less than half the April total, and continued claims declined from 33,400 to 24,100. These declines were attributed to seasonal factors as well as the settlement of the coal dispute. In Wyoming the total number of initial and continued claims declined, but the number of compensable claims filed by women showed a slight increase.

**Region XII.**—Both types of claims were below the April levels in the four States for which data are available. The average weekly number of beneficiaries declined by 7,700 and 11,300 in Oregon and Washington, respectively, and increased slightly in Arizona and Nevada. The unemployment ratio declined in all five States, but was below the national average only in Arizona and Nevada. The ratios in California, Oregon, and Washington were among the highest in the Nation—9.4, 8.7, and 8.6 percent, respectively.

### Veterans' Readjustment Allowances

In April, initial claims for veterans' allowances, numbering 690,000, declined for the third successive month from the January peak of 1 million. Only 6 States reported increases, ranging from 5 percent in Alaska to 22 percent in Mississippi, and in 3 of the 6 States claims exceeded their January peaks. The largest decrease—49 percent—occurred in North Dakota; Idaho and South Dakota reported decreases of 37 and 34 percent. Thirty-two States have reported decreases for each month since January. New claims declined in April in all States but Hawaii, Mississippi, Puerto Rico, and West Virginia. In North Dakota and Idaho the drop was 58 and 47 percent, respectively, and decreases of more than 30 percent were reported by 9 other States. The cumulative figure for new claims—4.4 million by the end of April—indicates that about one-third of all veterans separated from the armed forces have filed claims for readjustment allowances.

The 7.7 million continued claims filed in April represented an increase of only 4.5 percent—considerably less than the March increase of 26 percent. Twenty-two States reported decreases as against 1 State (Delaware).

Table 7.—Claims and payments for veterans' unemployment allowances, April 1946<sup>1</sup>

State <sup>1</sup>	Initial claims	Continued claims		Weeks compensated	Average weekly number of veterans <sup>2</sup>	Payments
		Total	Because of illness or disability			
Total.....	690,362	7,685,290	79,061	8,018,195	1,626,124	\$160,071,092
Alabama.....	10,477	139,467	776	129,536	25,864	2,588,094
Alaska.....	241	1,656	0	1,328	266	26,418
Arizona.....	3,892	28,717	560	23,204	5,108	462,606
Arkansas.....	6,564	124,817	1,784	129,821	28,112	2,593,087
California.....	54,077	446,964	4,041	443,893	95,559	8,840,268
Colorado.....	5,203	37,389	237	37,378	7,374	742,119
Connecticut.....	11,225	112,368	1,061	113,809	23,696	2,264,527
Delaware.....	1,327	14,117	28	14,107	3,010	279,454
District of Columbia.....	4,112	27,694	343	24,745	4,410	493,289
Florida.....	9,333	76,386	455	68,385	15,136	1,567,145
Georgia.....	12,784	152,313	781	145,687	24,811	2,908,849
Hawaii.....	112	355	5	330	64	6,530
Idaho.....	1,127	11,738	85	13,273	1,611	263,638
Illinois.....	39,741	344,274	1,051	337,008	75,008	6,684,471
Indiana.....	18,040	182,861	792	208,265	38,543	4,144,858
Iowa.....	6,853	76,686	493	78,892	14,840	1,566,887
Kansas.....	7,078	76,162	724	75,874	16,141	1,508,491
Kentucky.....	13,564	285,338	474	292,593	30,937	3,844,588
Louisiana.....	10,484	61,005	30	131,090	31,325	2,669,062
Maine.....	4,519	54,900	308	50,748	11,555	1,010,511
Maryland.....	7,117	111,619	229	111,619	24,296	2,226,276
Massachusetts.....	28,299	363,384	2,560	343,605	71,325	6,846,926
Michigan.....	34,263	419,825	3,632	433,453	104,608	8,830,382
Minnesota.....	10,678	92,902	405	190,918	37,751	3,593,750
Mississippi.....	5,573	58,127	695	59,804	13,400	1,193,438
Missouri.....	18,406	255,513	1,113	260,726	57,745	5,196,129
Montana.....	2,700	24,652	227	24,460	5,408	487,450
Nebraska.....	2,478	19,162	419	19,424	3,630	385,413
Nevada.....	824	3,578	23	3,550	694	70,576
New Hampshire.....	2,620	22,370	22,043	27,220	4,719	541,891
New Jersey.....	26,208	305,876	1,764	315,310	57,532	6,293,569
New Mexico.....	2,622	27,724	247	27,110	5,406	541,158
New York.....	102,801	955,143	9,469	928,885	210,567	18,517,466
North Carolina.....	11,951	111,611	2,151	106,895	22,924	2,132,640
North Dakota.....	1,031	14,790	99	14,165	3,084	281,074
Ohio.....	26,646	331,142	1,673	356,605	55,843	7,099,400
Oklahoma.....	10,464	115,143	461	109,918	26,244	2,192,256
Oregon.....	7,195	52,150	380	51,495	10,767	1,023,652
Pennsylvania.....	59,384	880,866	7,563	881,605	191,236	17,615,082
Puerto Rico.....	6,769	117,915	2,080	119,951	25,817	2,397,729
Rhode Island.....	4,063	46,692	374	46,614	9,177	929,786
South Carolina.....	6,811	67,909	1,355	72,048	14,521	1,437,257
South Dakota.....	1,053	11,127	20	12,875	2,358	256,010
Tennessee.....	12,631	189,965	974	193,863	40,675	3,869,057
Texas.....	24,489	288,433	2,599	458,342	71,450	9,143,226
Utah.....	3,574	31,304	128	26,771	5,324	532,002
Vermont.....	1,145	11,135	139	10,658	2,275	211,043
Virginia.....	8,490	100,322	401	98,641	17,058	1,966,900
Washington.....	8,804	67,179	247	70,384	13,695	1,395,601
West Virginia.....	18,448	213,013	663	207,319	32,506	4,141,796
Wisconsin.....	11,307	115,193	1,014	119,376	26,878	2,368,834
Wyoming.....	765	4,319	113	4,526	846	89,431

<sup>1</sup> Represents activities under provisions of title V of the Servicemen's Readjustment Act of 1944; excludes data for self-employed veterans.

<sup>2</sup> Includes Puerto Rico.

<sup>3</sup> Represents average weekly number of veterans paid readjustment allowances during weeks ended in month.

<sup>4</sup> Break-down estimated by Readjustment Allowance Service, Veterans Administration.

Source: Data reported to Readjustment Allowance Service, Veterans Administration, by unemployment-compensation agencies in 48 States, the District of Columbia, Alaska, and Hawaii, and by Veterans Administration for Puerto Rico.

ware) in March. The largest decline was in Louisiana—33 percent. In 24 of the 30 States reporting increases, the rate of increase was less than in March; only 7 States reported increases of 20 percent or more whereas 42 States reported such increases in March.

The all-time peak in the weekly number of veterans receiving allow-

ances—1.7 million—was reached in the week ended April 6, and although the number declined in succeeding weeks the average for the month was 8 percent higher than in March. Payments of \$160 million were made in April for 8 million weeks of unemployment, an increase from March of 8 percent in both number and amount.

## Insured Unemployment

At the request of the Bureau of the Budget, the Social Security Board has initiated publication of statistics on the volume of insured unemployment by week, that is, the number of persons filing claims for unemployment benefits or waiting-period credit for that week under the three Govern-

Table 8.—Insured unemployment<sup>1</sup> in the continental United States, weeks ended July 7, 1945–June 22, 1946

[In thousands of persons]

Week ended	Insured unemployment			
	Under all programs	Under State unemployment insurance programs	Under veterans' readjustment allowance program <sup>2</sup>	Under railroad unemployment insurance program
<b>1945:</b>				
July 7	288	244	43	1
14	291	247	43	1
21	301	255	45	1
28	306	258	47	1
August 4	310	264	45	1
11	258	210	47	1
18	425	364	60	1
25	626	560	64	2
September 1	922	846	74	2
8	1,200	1,105	92	3
15	1,325	1,217	104	4
22	1,439	1,321	113	5
29	1,571	1,446	119	6
October 6	1,594	1,450	137	7
13	1,655	1,479	168	8
20	1,686	1,482	194	10
27	1,741	1,501	229	11
November 3	1,760	1,502	247	11
10	1,787	1,489	287	11
17	1,865	1,511	342	12
24	2,026	1,594	419	13
December 1	2,165	1,626	526	13
8	2,236	1,620	602	14
15	2,236	1,615	606	15
22	2,168	1,529	622	17
29	2,348	1,578	751	19
<b>1946:</b>				
January 5	2,720	1,831	867	22
12	2,781	1,814	943	24
19	2,887	1,825	1,033	29
26	3,119	1,892	1,191	36
February 2	3,195	1,862	1,291	42
9	3,325	1,883	1,396	46
16	3,426	1,862	1,516	48
23	3,609	1,907	1,652	50
March 2	3,682	1,912	1,698	52
9	3,655	1,897	1,707	51
16	3,609	1,814	1,747	48
23	3,577	1,744	1,784	49
30	3,462	1,628	1,782	52
April 6	3,406	1,586	1,765	55
13	3,381	1,568	1,761	52
20	3,349	1,546	1,750	53
27	3,308	1,509	1,737	62
May 4	3,302	1,475	1,762	65
11	3,273	1,454	1,752	67
18	3,323	1,497	1,748	78
25	3,300	1,487	1,728	85
June 1	3,296	1,450	1,759	87
8	3,267	1,420	1,770	77
15	3,232	1,406	1,764	<sup>2</sup> 62
22	<sup>3</sup> 3,168	<sup>3</sup> 1,362	<sup>3</sup> 1,744	<sup>2</sup> 62

<sup>1</sup> Includes insured partial and part-total unemployment.

<sup>2</sup> Includes individuals filing claims under disability proviso; such claims amount to less than 1 percent of total.

<sup>3</sup> Preliminary.

Source: State unemployment insurance claims reported to the Bureau of Employment Security; estimate of unemployment allowance claims reported to the Veterans Administration; and railroad unemployment insurance claims reported to the Railroad Retirement Board.

Table 9.—Insured unemployment<sup>1</sup> during week ended June 22, 1946, by State

[In thousands of persons]

State	Insured unemployment		
	Under all programs	Under State unemployment insurance programs	Under veterans' readjustment allowance program <sup>2</sup>
Total, continental United States	<sup>3</sup> 3,168.6	1,362.3	1,744.3
Alabama	54.4	20.1	34.3
Arizona	9.1	3.1	5.9
Arkansas	36.0	10.8	25.2
California	249.9	158.4	91.6
Colorado	12.2	4.3	7.9
Connecticut	42.1	20.4	21.8
Delaware	5.0	2.2	2.8
District of Columbia	9.0	2.5	6.6
Florida	30.4	10.3	20.1
Georgia	45.3	9.8	35.5
Idaho	2.4	1.5	1.0
Illinois	184.9	102.8	82.0
Indiana	58.1	20.7	37.4
Iowa	21.5	6.6	15.0
Kansas	26.7	11.1	15.6
Kentucky	77.5	19.9	57.6
Louisiana	50.1	18.8	31.3
Maine	19.2	8.5	10.7
Maryland	49.0	25.5	23.4
Massachusetts	133.9	57.7	76.2
Michigan	222.0	131.6	90.4
Minnesota	48.8	16.3	32.4
Mississippi	18.5	4.9	13.6
Missouri	90.3	32.8	57.5
Montana	6.4	2.7	3.4
Nebraska	7.5	3.0	4.7
Nevada	1.7	1.0	1.0
New Hampshire	5.4	1.9	3.5
New Jersey	142.9	66.6	76.2
New Mexico	6.5	1.4	5.1
New York	429.0	214.5	214.5
North Carolina	38.8	12.3	26.6
North Dakota	2.9	.9	2.0
Ohio	130.8	57.3	73.5
Oklahoma	46.2	18.6	27.7
Oregon	20.4	12.5	7.9
Pennsylvania	337.8	125.6	212.2
Rhode Island	28.3	15.9	12.4
South Carolina	22.2	4.0	18.3
South Dakota	3.5	.8	2.7
Tennessee	73.0	21.1	51.9
Texas	103.4	15.9	87.6
Utah	9.0	3.1	5.9
Vermont	3.2	1.5	1.7
Virginia	45.9	18.8	27.2
Washington	42.0	30.6	11.4
West Virginia	68.5	20.9	47.6
Wisconsin	33.9	10.5	23.4
Wyoming	1.1	.5	.6
Railroad Retirement Board	<sup>4</sup> 62.1		

<sup>1</sup> Includes insured partial and part-total unemployment.

<sup>2</sup> Includes individuals filing claims under disability proviso; such claims amount to less than 1 percent of total.

<sup>3</sup> Total includes unemployed persons represented by railroad unemployment insurance claims not distributed by State.

<sup>4</sup> Preliminary.

Source: State unemployment insurance claims reported to the Bureau of Employment Security; unemployment allowance claims reported to the Veterans Administration; and railroad unemployment insurance claims (available only on a national basis) reported to the Railroad Retirement Board.

ment programs—the Federal-State unemployment insurance program, the veterans' readjustment allowance program, and the unemployment insurance program of the Railroad Retirement Board.

Since most of the Nation's unemployment at present is covered by these three programs, the claims figures may be used as a current indicator of pools of unused labor throughout the country.

Combined figures on insured unemployment are presented below for the country as a whole for the weeks ended July 7, 1945, through June 22, 1946, inclusive, and by State for the week ended June 22, 1946. State data, however, do not include claims under the railroad unemployment insurance program, for which a State distribution is not available. Week-by-week comparisons should be made with considerable caution, since changes in insured unemployment may be caused by operational as well as economic factors. Similarly, interstate comparisons may be affected by the differing legal and administrative provisions governing eligibility for State unemployment insurance.

These data are compiled currently and published in a weekly release entitled *Insured Unemployment*. The figures will be summarized periodically in the *BULLETIN*.

### *Nature and Limitations of the Data*

These data are based on operating statistics of the three unemployment benefit programs and cover only unemployment represented by claims filed under these programs. The definition of insured unemployment underlying these statistics is fixed by the legal and administrative provisions which determine eligibility for benefits under these systems. In general, workers who filed a claim were out of work during the week to which the claim relates and were registered at a public employment office as available for employment. Partially unemployed persons and persons unemployed except for a few hours of casual work may file claims and are included in these statistics. The data are based on claims filed and include some persons whose claims are subsequently denied or disallowed.

The coverage and definition under-

lying these statistics differ significantly from those used in the Census Bureau's *Monthly Report of the Labor Force*. The Census estimates are based on a monthly enumeration of a sample of the entire population and therefore include all unemployed workers, whether covered by unemployment benefit programs or not. The unemployed are defined by the Census Bureau as those who are not employed and are looking for work. This definition of unemployment does not include several groups who might file claims under one of the unemployment benefit programs: (1) persons with jobs, but temporarily not working because of a labor dispute,<sup>1</sup> bad weather, or temporary lay-off;<sup>2</sup> (2) persons employed only part of the week, or receiving substantially less than their usual earnings because of reduced hours; (3) persons not employed at their regular job during the entire week, but who picked up a few hours of casual work. It appears also that some workers who were registered at public employment offices as available for employment, and who did not take any other active steps to find a job, may be reported in the Census survey as not looking for work.

These statistics are derived from figures on continued claims<sup>3</sup> filed under the State unemployment insurance programs and the veterans' readjustment allowance program and claims filed under the railroad unemployment insurance program. Continued claims, rather than total claims (which include initial claims as well), are used to derive the figures on insured unemployment under the State and veterans' programs. Initial claims are excluded, since in general they merely indicate the beginning of a period of insured unemployment. When a week of insured unemployment (total or partial) has been completed, a continued claim is filed certifying that the week of unemployment was experienced. The figures exclude self-employed veterans claiming readjustment allowances.

<sup>1</sup> Persons on strike may receive benefits under State unemployment insurance programs in 5 States after an additional waiting period (see definition, below).

<sup>2</sup> Included by Census as employed only if the worker has definite instructions to return to work within 30 days of the date he was laid off.

<sup>3</sup> See below for definition of terms.

Claims statistics are reported on the basis of the date of claim filing, rather than the date of the period of unemployment represented. In preparing statistics on the volume of insured unemployment, an adjustment is made for this time factor.

Under the State and veterans' programs, "calendar-week" and "flexible-week" States differ with respect to the time lag between the period of unemployment and the date of claim filing. In States that use a fixed calendar week as the period for which benefits are paid and claims are filed, the filing of a continued claim during a particular week generally represents insured unemployment during the preceding calendar week. In States which set a separate benefit week of 7 consecutive days for each claimant, depending on when he files his first claim, the filing of a continued claim during a particular week represents, on the average, insured unemployment for the week ending about the middle of the same week; in these States allowance for this half-week lag was made by taking the average of continued claims filed during a particular week and during the next preceding week to represent insured unemployment during the preceding week.

Some States, either by provisions in their unemployment insurance laws or through temporary approval of the Social Security Board and the Veterans Administration, take claims for unemployment benefits on a bi-weekly rather than weekly schedule. All railroad unemployment insurance claims are taken on a biweekly basis. Appropriately adjusted figures rather than the actual number of continued claims reported are used in estimating insured unemployment during the week covered by the report.

### *Definitions of Terms Used*

The three types of claims used in compiling statistics on insured unemployment are (1) continued claims (State unemployment insurance), (2) continued claims (veterans' unemployment allowance), and (3) railroad unemployment insurance claims. These claims may be defined as follows:

**Continued claim (State unemployment insurance).**—An application for waiting-period credits or benefits

which certifies to the completion of a waiting-period week or a benefit period. There are two categories of continued claims: (1) waiting-period claims and (2) compensable claims. A waiting period is a 1 or 2-week period usually required only once during a benefit year, even though the worker may be out of work and entitled to benefits more than once during that time. Waiting-period claims do not result in benefit payments. A compensable claim is filed for each additional week of insured unemployment after a worker has completed his waiting period.

**Continued claim (veterans' unemployment allowance).**—A claim for unemployment allowance for a completed week of insured unemployment filed under the veterans' readjustment allowance program.

**Railroad unemployment insurance claim.**—Claims for periods of insured unemployment filed with the Railroad Retirement Board under the Railroad Unemployment Insurance Act. These claims cover a 2-week registration period.

Continued claims for unemploy-

ment insurance include claims for partial and part-total unemployment. These types of unemployment are defined as follows:

**Partial unemployment.**—Unemployment during a week in which a worker earns wages from his regular employer but, because of insufficient work, is employed less than his normal or customary full-time hours and earns less than his partial earnings limit under the State unemployment insurance law.

**Part-total unemployment.**—Unemployment during a week of otherwise total unemployment during which a worker has odd jobs and/or subsidiary work with earnings in excess of the amount specified in the State unemployment insurance law as allowable without reduction in his weekly benefit amount.

## Estimates of Covered Employment, July 1945–March 1946

Preliminary estimates indicate that employment covered by State unem-

ployment insurance laws reached a new postwar high in mid-March of 1946, more than recovering from the February set-back caused by the steel strike.<sup>1</sup> In March, however, the industries most directly affected by the steel strike were still below their January peaks; the new March peak for all industries combined was due to the steady rise of employment in non-manufacturing industries, particularly contract construction and trade (table 10). The March covered employment figure of 27.4 million is 3.5 percent above the postwar low of 26.5 million (October 1945) but 2.2 percent below the August level and 12.5 percent below the wartime peak of 31.3 million (June 1943).

Twenty-three of the 47 States for which first-quarter estimates are available reported March employment higher than that of August; these States are scattered in every area of

<sup>1</sup> The estimates for the first quarter of 1946 are preliminary. The estimates for the last 6 months of 1945, published in the April 1946 *Bulletin* (pp. 30-33), have been revised but are subject to further revision.

Table 10.—Employment of workers covered by State unemployment insurance laws,<sup>1</sup> by industry, July 1945–March 1946

[In thousands; data corrected to June 28, 1946]

Industrial classification	1945						1946		
	July	August	September	October	November	December	January	February	March
Total.....	28,429.2	27,975.8	26,485.7	26,452.3	26,710.4	26,995.2	27,037.3	26,546.4	27,369.0
Mining.....	808.2	810.9	809.9	792.5	816.8	816.9	849.2	840.7	851.2
Contract construction.....	1,000.1	1,016.6	988.1	1,027.8	1,029.2	972.4	1,024.6	1,041.1	1,121.6
Manufacturing.....	15,282.2	14,791.1	13,159.0	12,949.9	12,921.9	12,892.9	13,110.0	12,558.4	13,078.8
19 Ordnance and accessories.....	586.3	515.2	299.9	233.3	223.7	196.9	58.6	52.1	52.5
20 Food and kindred products.....	1,458.1	1,495.6	1,547.3	1,453.5	1,401.6	1,374.5	1,377.1	1,353.5	1,359.7
21 Tobacco manufactures.....	98.0	102.1	106.7	112.2	107.0	103.6	103.5	104.1	103.5
22 Textile-mill products.....	1,132.0	1,130.7	1,132.1	1,147.0	1,157.2	1,191.3	1,228.0	1,245.5	1,267.1
23 Apparel and other finished products made from fabrics and similar materials.....	968.6	979.2	972.6	966.3	964.0	962.2	998.9	1,014.1	1,031.2
24 Lumber and timber basic products.....	492.6	495.5	480.7	444.6	445.0	451.8	468.6	473.8	489.1
25 Furniture and finished lumber products.....	386.9	383.9	371.4	374.9	383.6	393.1	416.0	421.3	429.0
26 Paper and allied products.....	381.7	381.6	380.1	389.4	394.2	400.3	417.3	419.1	425.0
27 Printing, publishing, and allied industries.....	530.6	534.2	543.1	556.6	569.8	579.5	600.5	607.5	619.7
28 Chemicals and allied products.....	784.3	754.0	680.0	692.9	659.8	657.8	662.9	663.5	668.7
29 Products of petroleum and coal.....	206.4	206.0	204.6	207.9	209.0	208.6	212.7	209.4	212.3
30 Rubber products.....	234.4	225.7	215.2	219.0	227.3	231.8	224.2	228.7	231.9
31 Leather and leather products.....	346.8	348.0	341.5	351.4	360.9	366.9	380.3	387.8	395.6
32 Stone, clay, and glass products.....	372.3	375.0	372.5	382.1	381.2	386.4	396.5	405.9	420.7
33 Iron and steel and their products.....	1,555.8	1,512.0	1,410.6	1,429.1	1,452.6	1,480.7	1,538.0	1,219.5	1,510.4
34 Transportation equipment (except automobiles).....	2,239.2	1,978.2	1,201.5	1,069.9	981.4	907.5	837.9	779.8	769.6
35 Nonferrous metals and their products.....	455.3	444.5	380.2	389.2	399.2	407.8	431.7	398.1	425.9
36 Electrical machinery.....	954.6	904.7	727.8	719.3	728.8	729.9	730.3	638.1	674.1
37 Machinery (except electrical).....	1,316.7	1,276.5	1,133.0	1,156.5	1,161.2	1,170.2	1,221.8	1,187.6	1,212.8
38 Automobiles and automobile equipment.....	307.6	285.0	231.8	244.5	266.1	245.6	287.3	275.7	292.4
39 Miscellaneous manufacturing industries.....	474.0	463.5	426.4	440.3	448.3	446.5	467.9	474.3	487.6
Transportation, communication, and other public utilities.....	1,941.8	1,942.6	1,939.4	1,929.9	1,977.5	1,995.6	2,030.9	2,056.3	2,092.9
Wholesale and retail trade.....	5,937.5	5,954.4	6,125.2	6,266.4	6,461.7	6,793.4	6,444.6	6,442.3	6,564.4
Finance, insurance, and real estate.....	1,129.4	1,130.1	1,120.5	1,134.2	1,146.3	1,163.0	1,192.7	1,210.5	1,229.6
Service industries.....	2,269.8	2,267.6	2,280.3	2,282.6	2,288.8	2,298.8	2,326.6	2,338.7	2,370.0
Miscellaneous <sup>2</sup> .....	60.2	62.5	63.3	69.0	68.1	62.2	58.7	58.4	60.5

<sup>1</sup> Preliminary estimates based on coverage provisions in effect in the fourth quarter of 1944. Represents workers in covered employment in the pay period of each type (weekly, semimonthly, etc.) ending nearest the fifteenth of the month.

<sup>2</sup> Includes agriculture, forestry, and fishing and establishments not elsewhere classified.



the country except the Far West<sup>1</sup>

<sup>1</sup>The State data in tables 11 and 12 are arranged in seven relatively homogeneous economic "areas." These areas are the ones used for the past year by the National Income Unit of the Department of Commerce in presenting State data, and represent an adaptation of those proposed by Howard W. Odum in *Southern Regions of the United States*, pp. 269-290.

(table 12). In only 8 of these States, however, had manufacturing employment returned to the August level (table 11); the burden of the employment recovery is still being carried principally by nonmanufacturing industries. The most striking recovery to wartime employment levels was in Florida, where March employment was

14 percent above that of August 1945. Six additional States—the District of Columbia, New Hampshire, North Carolina, North Dakota, Rhode Island, and South Dakota—reported March employment at least 5 percent above that in August.

On the other side of the ledger are the 8 States—Alaska, Arkansas, Cali-

Table 11.—Employment of workers in manufacturing industries covered by State unemployment insurance laws, by area and State, July 1945–March 1946<sup>1</sup>

[In thousands; data corrected to June 28, 1946]

Area and State	1945						1946		
	July	August	September	October	November	December	January	February	March
Total, 51 States	15,282.2	14,791.1	13,159.0	12,949.9	12,921.9	12,892.9	13,110.0	12,558.4	13,078.8
New England	1,491.9	1,432.5	1,339.7	1,336.4	1,342.3	1,378.3	1,412.9	1,372.9	1,406.8
Connecticut	406.4	375.4	335.8	336.1	338.2	341.8	354.2	332.2	347.2
Maine	107.9	105.5	101.7	97.6	90.1	100.5	107.0	109.6	108.1
Massachusetts	734.3	716.1	675.2	682.4	682.4	693.4	704.7	679.5	698.4
New Hampshire	71.0	71.2	69.1	70.1	72.1	74.8	77.3	77.5	78.0
Rhode Island	133.6	126.1	122.1	124.8	125.4	131.8	133.5	136.9	139.7
Vermont	38.7	38.2	35.8	34.7	34.4	36.0	36.2	37.2	37.4
Middle East	4,606.2	4,505.2	4,093.5	4,050.9	4,055.9	4,083.3	4,143.7	3,780.7	4,071.7
Delaware	45.4	45.8	42.0	39.8	39.6	39.7	40.7	41.3	41.5
District of Columbia	15.5	15.5	15.4	15.2	15.5	15.5	15.1	15.3	15.5
Maryland	278.3	275.7	235.5	221.5	216.8	218.6	(?)	(?)	(?)
New Jersey	796.2	773.7	682.6	664.3	666.7	668.5	655.1	634.6	668.4
New York	1,873.7	1,841.4	1,687.3	1,681.2	1,686.6	1,694.6	1,731.4	1,607.3	1,687.2
Pennsylvania	1,463.8	1,419.8	1,314.7	1,308.4	1,311.3	1,325.7	1,361.8	1,160.0	1,324.0
West Virginia	133.3	133.3	118.0	120.5	119.4	120.7	(?)	(?)	(?)
Southeast	2,023.9	1,976.9	1,825.5	1,808.7	1,801.9	1,786.4	1,813.9	1,802.3	1,844.8
Alabama	230.6	219.0	196.6	189.2	190.2	189.0	189.6	172.7	190.6
Arkansas	73.5	74.7	68.8	63.9	59.5	56.9	52.8	54.4	57.1
Florida	102.2	94.7	83.8	77.6	77.4	77.9	81.8	81.7	82.5
Georgia	278.8	267.0	236.2	236.1	234.5	230.3	235.5	236.5	237.5
Kentucky	128.7	124.3	112.0	112.0	111.5	110.5	109.1	109.1	111.9
Louisiana	144.1	134.6	122.3	125.4	119.3	115.3	119.6	118.6	120.5
Mississippi	85.2	84.7	79.3	79.0	79.6	78.2	80.6	81.4	80.2
North Carolina	351.7	353.0	344.9	347.2	349.9	351.7	358.2	363.2	367.4
South Carolina	168.9	170.1	166.0	168.7	168.7	167.0	173.0	167.3	175.7
Tennessee	262.0	256.0	232.3	228.2	226.9	224.7	225.3	219.6	229.0
Virginia	201.2	198.8	183.3	184.1	184.4	183.1	187.0	189.6	192.4
Southwest	475.7	460.3	380.1	367.4	367.9	356.6	349.4	341.6	341.8
Arizona	20.7	18.8	12.6	11.5	10.6	10.5	10.5	10.5	10.5
New Mexico	9.3	9.5	8.9	8.7	8.8	8.8	8.8	9.1	9.2
Oklahoma	87.3	83.2	58.3	55.9	55.7	54.6	49.7	48.4	47.7
Texas	358.4	348.8	300.3	291.3	291.8	282.5	280.4	273.6	274.3
Central	5,040.3	4,805.4	4,190.0	4,173.6	4,234.3	4,187.7	4,287.8	4,188.2	4,316.2
Illinois	1,166.8	1,129.2	1,016.3	1,012.0	1,024.2	1,032.0	1,073.0	1,036.7	1,070.0
Indiana	538.5	524.9	448.8	426.3	421.6	414.8	421.7	390.9	424.5
Iowa	143.7	134.9	125.2	120.8	122.9	126.1	124.3	125.1	127.0
Michigan	954.3	899.0	740.9	773.0	812.0	748.0	(?)	(?)	(?)
Minnesota	209.1	201.3	182.9	175.9	170.2	171.0	176.4	174.4	176.3
Missouri	372.8	347.5	296.2	294.3	296.9	287.6	291.7	296.8	299.6
Ohio	1,228.6	1,162.7	1,020.2	1,020.3	1,034.1	1,050.1	1,061.0	1,072.3	1,090.6
Wisconsin	426.5	405.9	359.5	351.0	352.4	358.1	362.6	358.6	361.2
Northwest	306.8	300.6	241.5	234.9	235.5	226.1	220.7	214.6	225.5
Colorado	50.7	54.6	46.8	50.2	52.0	50.3	46.4	41.8	47.3
Idaho	15.8	16.0	16.6	16.2	15.9	9.5	12.1	13.7	15.4
Kansas	115.5	114.8	77.0	70.0	69.1	70.1	69.6	68.1	69.8
Montana	14.6	14.6	14.5	14.3	13.9	13.9	12.8	12.8	13.2
Nebraska	57.8	55.0	41.7	40.1	41.2	41.4	40.8	41.2	42.4
North Dakota	5.2	5.2	5.3	5.2	5.6	5.5	5.3	5.1	5.3
South Dakota	9.5	9.3	9.0	8.9	9.0	9.3	9.4	9.9	9.8
Utah	26.2	25.6	25.1	23.9	22.1	20.5	19.1	16.9	17.2
Wyoming	5.5	5.5	5.5	6.1	6.4	5.6	5.2	5.1	5.1
Far West	1,295.3	1,270.6	1,058.7	953.3	859.5	850.0	856.4	833.7	846.9
California	876.5	873.2	726.8	665.9	588.9	584.4	588.5	572.0	582.9
Nevada	2.6	2.6	2.5	2.4	2.5	(?)	(?)	(?)	(?)
Oregon	162.3	152.7	135.7	113.5	104.0	103.3	105.5	103.9	105.2
Washington	253.9	242.1	193.7	171.6	164.1	159.8	159.9	155.4	156.4
Alaska	11.3	11.0	7.0	2.6	1.9	1.6	1.4	1.3	1.6
Hawaii	30.8	28.6	23.0	22.1	22.7	22.9	23.8	23.1	23.5

<sup>1</sup> Preliminary estimates based on coverage provisions in effect in the fourth quarter of 1944. Represents workers in covered employment in the pay period of each type (weekly, semi-monthly, etc.) ending nearest the 15th of the month. See table 11 for coverage provisions of State laws (statutory minimum number of workers for employer coverage). For areas used, see text.

<sup>2</sup> No reports were received from Maryland, West Virginia, Michigan, and Nevada; estimates for these States have been included in totals for areas and 51 States.

fornia, Indiana, Kansas, Oklahoma, Oregon, and Washington—whose March employment was still more than 10 percent below August levels.

The most striking August-to-March comparison in this group (except for Alaska, where covered employment always decreases sharply in the winter)

is in Kansas, where March employment was 16 percent below that of August.

Nature of data.—These estimates

Table 12.—Employment of workers covered by State unemployment insurance laws, by area and State, July 1945–March 1946<sup>1</sup>

[In thousands; data corrected to June 28, 1946]

Area and State	Statutory minimum number of workers for employer coverage <sup>2</sup>	1945						1946		
		July	August	September	October	November	December	January	February	March
Total, 51 States.....		28,429.2	27,975.8	26,485.7	26,452.3	26,710.4	26,995.2	27,037.3	26,546.4	27,369.0
New England.....		2,416.1	2,356.2	2,281.3	2,296.0	2,322.5	2,393.4	2,403.1	2,362.7	2,421.7
Connecticut.....	4 in 13 weeks.....	575.3	544.1	509.4	511.5	518.2	529.4	517.8	538.5	538.5
Maine.....	8 in 20 weeks.....	158.7	156.5	152.6	148.4	141.5	154.4	157.4	159.8	159.2
Massachusetts.....	1 in 20 weeks.....	1,310.8	1,291.7	1,262.6	1,275.9	1,298.8	1,331.8	1,329.4	1,303.1	1,334.5
New Hampshire.....	4 in 20 weeks.....	108.4	109.4	107.1	107.8	109.6	112.8	114.0	114.3	115.9
Rhode Island.....	do.....	206.3	198.4	196.7	199.6	201.7	210.0	208.6	211.3	216.5
Vermont.....	8 in 20 weeks.....	56.6	56.1	53.9	52.8	52.7	55.0	55.3	56.4	57.1
Middle East.....		8,626.3	8,514.8	8,142.6	8,129.2	8,251.5	8,390.4	8,423.3	8,082.0	8,486.3
Delaware.....	1 in 20 weeks.....	75.5	76.0	73.5	71.5	71.9	72.8	73.4	71.1	75.3
District of Columbia.....	1 at any time.....	189.7	189.3	191.5	194.9	197.9	202.3	194.2	198.3	201.3
Maryland.....	4 in 20 weeks.....	482.3	482.5	443.2	436.8	437.7	444.0	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )
New Jersey.....	8 in 20 weeks.....	1,136.2	1,109.7	1,021.6	1,001.3	1,012.7	1,025.6	1,004.1	984.4	1,029.2
New York.....	4 in 15 days.....	3,771.7	3,727.8	3,582.1	3,601.9	3,663.3	3,725.3	3,767.2	3,656.3	3,795.8
Pennsylvania.....	1 in 20 weeks.....	2,638.7	2,596.4	2,511.9	2,511.0	2,548.1	2,592.5	2,617.4	2,415.3	2,612.4
West Virginia.....	8 in 20 weeks.....	332.2	333.1	318.8	311.8	322.0	327.9	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )
Southeast.....		3,835.6	3,822.2	3,677.8	3,680.3	3,710.7	3,751.0	3,751.9	3,742.6	3,820.1
Alabama.....	8 in 20 weeks.....	399.2	393.9	376.4	360.0	364.0	363.1	364.3	340.2	368.4
Arkansas.....	1 in 10 days.....	200.0	205.0	187.3	185.6	181.9	181.1	169.7	172.1	177.9
Florida.....	8 in 20 weeks <sup>4</sup> .....	304.2	297.2	288.3	297.2	308.1	325.8	340.7	341.3	338.9
Georgia.....	8 in 20 weeks.....	462.9	457.4	426.6	430.3	433.1	433.7	434.5	436.0	438.9
Kentucky.....	4 in 3 quarters <sup>5</sup> .....	312.5	309.4	300.1	302.3	304.3	317.0	302.1	303.4	311.5
Louisiana.....	1 in 20 weeks.....	356.8	348.8	338.0	339.1	335.1	333.2	350.0	356.0	361.8
Mississippi.....	8 in 20 weeks.....	157.6	157.8	152.8	151.4	153.5	153.4	154.2	154.2	154.5
North Carolina.....	do.....	509.7	522.9	523.2	528.6	535.6	539.1	541.0	544.9	551.9
South Carolina.....	do.....	243.3	248.8	245.6	244.4	249.7	251.4	254.0	257.1	259.8
Tennessee.....	do.....	472.2	467.8	437.1	432.5	431.5	434.4	427.3	420.2	430.4
Virginia.....	do.....	417.3	413.2	402.4	408.9	413.9	418.7	414.9	417.2	426.1
Southwest.....		1,367.3	1,350.9	1,273.7	1,270.3	1,294.8	1,304.1	1,282.2	1,277.2	1,291.1
Arizona.....	3 in 20 weeks.....	82.8	79.9	74.2	76.2	77.7	80.0	81.2	81.7	82.4
New Mexico.....	2 in 13 weeks <sup>6</sup> .....	63.0	62.9	60.5	61.1	61.6	62.3	64.1	64.4	64.6
Oklahoma.....	8 in 20 weeks.....	243.8	241.5	218.4	216.4	218.9	220.6	206.9	206.0	206.1
Texas.....	do.....	977.7	966.6	920.6	916.6	936.6	941.2	930.0	925.1	938.0
Central.....		8,299.4	8,078.7	7,523.1	7,575.5	7,697.3	7,718.9	7,770.8	7,665.8	7,894.4
Illinois.....	6 in 20 weeks.....	2,073.1	2,036.9	1,938.1	1,955.6	1,984.0	2,010.6	2,034.7	2,006.6	2,058.6
Indiana.....	8 in 20 weeks.....	801.0	785.5	712.0	692.1	692.6	693.0	692.7	663.5	706.3
Iowa.....	8 in 15 weeks.....	289.7	282.2	276.3	280.6	283.8	286.8	282.7	284.6	289.9
Michigan.....	8 in 20 weeks.....	1,375.4	1,320.0	1,173.2	1,211.4	1,257.5	1,204.9	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )
Minnesota.....	1 in 20 weeks <sup>7</sup> .....	465.9	460.7	448.2	445.6	445.1	449.0	445.6	442.0	447.2
Missouri.....	8 in 20 weeks.....	713.2	689.3	642.8	647.4	656.8	651.0	648.9	658.8	668.7
Ohio.....	3 in 1 day.....	1,921.5	1,862.6	1,733.7	1,746.3	1,773.7	1,807.7	1,832.3	1,848.3	1,883.1
Wisconsin.....	6 in 18 weeks <sup>8</sup> .....	659.6	639.5	599.1	596.5	603.8	615.9	613.6	611.6	617.3
Northwest.....		873.9	866.9	815.4	820.7	833.6	825.2	804.0	796.0	821.1
Colorado.....	8 in 20 weeks.....	162.8	159.1	151.5	155.8	159.8	160.0	153.7	149.3	156.2
Idaho.....	1 at any time <sup>9</sup> .....	64.5	65.3	67.1	68.6	70.4	57.0	59.6	61.2	65.6
Kansas.....	8 in 20 weeks.....	229.9	228.8	191.8	186.6	188.2	192.5	187.5	187.8	192.1
Montana.....	1 in 20 weeks <sup>10</sup> .....	70.6	70.8	72.1	73.8	74.3	74.4	72.2	71.9	72.7
Nebraska.....	8 in 20 weeks.....	140.6	137.8	127.0	127.5	129.7	130.6	127.9	129.0	133.1
North Dakota.....	do.....	29.6	29.7	30.0	30.9	32.2	32.1	30.8	30.3	31.5
South Dakota.....	do.....	36.8	36.6	37.0	37.5	38.3	38.8	38.3	38.8	39.7
Utah.....	1 at any time <sup>11</sup> .....	98.5	98.4	98.2	98.0	98.2	98.2	94.1	88.4	90.6
Wyoming.....	1 in 20 weeks <sup>12</sup> .....	40.6	40.4	40.7	42.0	42.5	41.6	39.9	39.3	39.6
Far West.....		2,906.3	2,887.4	2,683.1	2,596.7	2,517.0	2,529.8	2,520.3	2,508.9	2,551.6
California.....	4 in 20 weeks.....	2,051.5	2,049.7	1,910.3	1,861.8	1,795.4	1,804.0	1,798.1	1,790.1	1,822.2
Nevada.....	1 at any time <sup>13</sup> .....	31.9	31.6	30.2	31.3	31.3	31.9	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )
Oregon.....	4 in 1 day <sup>14</sup> .....	294.8	286.6	269.0	249.4	240.0	241.2	243.2	241.6	246.0
Washington.....	1 at any time.....	528.1	519.5	473.6	454.2	450.3	452.7	448.5	445.2	451.5
Alaska.....	8 in 20 weeks.....	20.9	20.0	14.3	9.4	8.0	7.5	6.6	6.6	7.4
Hawaii.....	1 at any time.....	83.4	80.7	74.4	74.2	75.0	74.9	75.1	74.6	75.3

<sup>1</sup> Preliminary estimates based on coverage provisions in effect in the fourth quarter of 1944. Represents workers in covered employment in the pay period of each type (weekly, semimonthly, etc.) ending nearest the fifteenth of the month. For areas used, see text.

<sup>2</sup> An employer becomes subject to the State unemployment insurance law when he has employed the specified minimum number of workers on at least 1 day in each of the specified number of weeks within the current or preceding calendar year; coverage provisions shown are for 1944.

<sup>3</sup> No reports were received from Maryland, West Virginia, Michigan, and Nevada; estimates for these States have been included in totals for areas and 51 States.

<sup>4</sup> Or total wages of \$5,000 or more in a calendar quarter of the current or preceding calendar year.

<sup>5</sup> Wages of at least \$50 to each of at least 4 workers during each of 3 calendar quarters; or 8 or more workers in 20 weeks of calendar year.

<sup>6</sup> Or total wages of \$450 or more in a calendar quarter.

<sup>7</sup> Except employers of less than 8 workers in 20 weeks located outside the corporate limits of a city, village, or borough of 10,000 or more population.

<sup>8</sup> 8 or more workers in current calendar year or 6 or more in preceding calendar year or, where employer's records do not permit accurate count of workers, total wages of \$6,000 or more in preceding calendar year; or total wages of more than \$10,000 in calendar quarter of current year.

<sup>9</sup> And total wages of \$78 or more in a calendar quarter.

<sup>10</sup> Or total wages of \$500 or more in a calendar year.

<sup>11</sup> And total wages of \$140 or more in a calendar quarter.

<sup>12</sup> And total wages of \$150 or more in a calendar quarter.

<sup>13</sup> And total wages of \$225 or more in a calendar quarter.

<sup>14</sup> And total wages of \$500 or more in same calendar quarter.

are based chiefly on a series of identical-firm linking reports (usually covering more than 90 percent of total covered employment) submitted quarterly by each State employment security agency about 2½ months after the end of the quarter. Estimates for each quarter are therefore available about 3 months after the quarter ended; the figures in the accompanying tables, for example, were available for private distribution on July 1 and were released, in condensed form, to the general press on July 10.

The estimates are calculated by ap-

Table 13.—Nonfarm placements by State, April 1946

U. S. Employment Service region and State	Total	Women	Veterans <sup>1</sup>
Total.....	457,471	134,403	180,628
Region I:			
Connecticut.....	6,167	3,258	2,768
Maine.....	3,074	810	1,186
Massachusetts.....	9,898	3,107	4,468
New Hampshire.....	2,182	458	1,100
Rhode Island.....	2,425	903	953
Vermont.....	1,233	261	738
Region II:			
New York.....	59,295	29,632	14,848
Region III:			
Delaware.....	1,411	546	314
New Jersey.....	14,055	6,029	4,583
Pennsylvania.....	22,362	6,709	10,931
Region IV:			
District of Columbia.....	3,536	1,107	969
Maryland.....	5,888	1,204	2,573
North Carolina.....	9,744	2,530	4,222
Virginia.....	7,711	2,129	3,048
West Virginia.....	2,609	1,093	823
Region V:			
Kentucky.....	3,577	1,014	1,484
Michigan.....	16,082	2,450	8,479
Ohio.....	23,361	6,584	8,390
Region VI:			
Illinois.....	12,570	3,827	5,488
Indiana.....	7,900	2,808	2,755
Wisconsin.....	9,306	2,500	4,449
Region VII:			
Alabama.....	14,457	3,144	5,181
Florida.....	10,287	3,544	4,308
Georgia.....	9,983	2,341	4,267
Mississippi.....	4,228	1,071	1,574
South Carolina.....	4,702	1,044	1,951
Tennessee.....	9,960	2,928	3,825
Region VIII:			
Iowa.....	6,520	1,409	3,439
Minnesota.....	9,515	1,766	4,548
Nebraska.....	3,431	486	1,637
North Dakota.....	1,687	238	748
South Dakota.....	1,287	203	709
Region IX:			
Arkansas.....	6,553	1,993	2,233
Kansas.....	6,139	1,279	2,823
Missouri.....	9,844	3,275	3,686
Oklahoma.....	8,527	2,197	3,275
Region X:			
Louisiana.....	5,423	1,355	2,405
New Mexico.....	2,826	397	1,292
Texas.....	36,082	9,751	14,109
Region XI:			
Colorado.....	5,243	692	2,503
Idaho.....	3,404	511	1,607
Montana.....	2,192	237	1,065
Utah.....	2,878	486	1,203
Wyoming.....	1,179	157	587
Region XII:			
Arizona.....	3,681	812	1,514
California.....	39,800	10,242	16,596
Nevada.....	2,498	638	742
Oregon.....	8,133	1,237	3,662
Washington.....	10,561	1,951	4,270

<sup>1</sup> Represents placements of veterans of all wars. Source: Department of Labor, U. S. Employment Service.

plying the percentage changes reported on the identical-firm reports for 1945 and 1946 to data obtained from a complete tabulation of covered employment for October 1944; the estimates therefore reflect coverage provisions in effect during the fourth quarter of 1944.

Since the figures relate only to persons covered by State unemployment insurance laws, they do not include large segments of the employed labor force excluded from coverage. It is estimated that the exemption of small firms by State laws excludes about 7 percent of the wage and salary workers in covered industries (see second column of table 12). Also excluded from coverage in an average week during the first quarter of 1946 were approximately 7.0 million farmers and agricultural workers and 5.1 million nonagricultural self-employed workers. Among other wage and salary workers in nonagricultural employment who were excluded from coverage were about 1.7 million railroad workers; 5.5 million Federal, State, and local government workers; and approximately 3.0 million workers employed in private homes, in mari-

time industries, and by nonprofit religious, charitable, scientific, and educational organizations.

## Nonfarm Placements

Though slightly fewer nonfarm placements were made in May than in April, the total number, 457,000, was more than in any other month since last November. Despite the decrease in the country as a whole, 26 States reported increases, ranging from 1.6 percent in Mississippi to 39 percent in Delaware.

Placements of women rose from 132,000 in April to more than 134,000 in May and also increased slightly as a proportion of all placements. Nineteen States, on the other hand, reported fewer placements, with declines ranging from 0.7 percent in Pennsylvania to 17 percent in Colorado.

Veterans' placements dropped from 185,000 in April to 181,000 in May—a larger relative decrease than that for all nonfarm placements. State declines varied from 0.2 percent in Maine to 27 percent in Illinois. Nine States, however, reported increases of from 11 to 23 percent, and 11 other States had smaller gains.

## Old-Age and Survivors Insurance

### Applicants for Account Numbers, January-March 1946

Military demobilization, fewer inductions, and reduction in the number of children and elderly persons entering the labor force were the dominant

factors affecting the volume and distribution of account-number applications in the first quarter of 1946. The 591,000 employee accounts established were 23 percent less than the total in the corresponding period of 1945.

Table 1.—Number of applicants for account numbers, by year, 1940-45, and first quarter 1946, and estimated number of living account-number holders at end of each period

Period	Applicants for account numbers		Estimated number of living account-number holders 14 years and over as of end of period <sup>1</sup>			
	Total during period	Cumulative total as of end of period	Number	Percent of estimated population 14 years and over <sup>2</sup>		
				Total	Male	Female
1940.....	5,227,084	54,225,212	49,900,000	48.7	66.6	30.9
1941.....	6,677,901	60,903,113	56,000,000	54.0	72.0	36.0
1942.....	7,638,175	68,541,288	63,000,000	60.2	77.4	43.2
1943.....	7,425,670	75,966,958	69,400,000	65.7	80.7	50.8
1944.....	4,536,948	80,503,906	72,900,000	68.4	82.3	54.7
1945.....	3,321,384	83,825,290	75,300,000	70.0	83.4	56.9
January-March 1946.....	590,651	84,415,941	75,700,000	70.3	83.6	57.2

<sup>1</sup> Estimated by adjusting the cumulative total of accounts established for duplications as well as for deaths; includes Alaska and Hawaii. Data subject to revision.

<sup>2</sup> Population 14 years of age and over estimated by Bureau of the Census; includes Alaska and Hawaii.

Table 2.—Distribution of applicants for account numbers, by sex, race, and age group, January-March 1946

Age group	Total			Male			Female		
	Total	White <sup>1</sup>	Negro	Total	White <sup>1</sup>	Negro	Total	White <sup>1</sup>	Negro
Total.....	590,651	507,495	83,156	319,178	276,073	43,105	271,473	231,422	40,051
Under 15.....	24,475	21,837	2,638	18,967	16,704	2,263	5,508	5,133	375
15-19.....	191,306	168,200	23,106	93,708	80,827	12,971	97,598	87,373	10,135
20-39.....	258,178	212,264	45,914	155,332	132,332	23,000	102,846	79,932	22,914
40-59.....	93,305	83,463	9,842	36,534	32,847	3,687	56,771	50,616	6,155
60-64.....	11,518	10,732	786	6,162	5,661	501	5,356	5,071	285
65-69.....	6,568	6,081	487	4,198	3,839	359	2,370	2,242	128
70 and over.....	5,137	4,792	345	4,080	3,780	300	1,057	1,012	45
Unknown.....	164	126	38	107	83	24	57	43	14

<sup>1</sup> Represents all races other than Negro.

Fewer account numbers than in any previous quarter were issued to both men and women.

For the first quarter since April-June 1942, men constituted a majority of all applicants; the 319,000 account numbers issued to men and boys formed 54 percent of the total, the largest proportion since July-September 1941. This increase occurred largely as a result of the issuance of account numbers to discharged servicemen. Accounts established for men aged 20-39 more than doubled, and constituted about one-fourth of all account numbers issued, as compared with less than one-tenth in the first quarter of 1945. The volume of applications from men under age 20, however, continued to diminish, dropping from 25 percent of all applications in January-March 1945 to 19 percent in the first quarter of this year.

Although the total number of male applicants was larger than the total for women, applications from women were more numerous at each age from 17 to 20 because of the continued induction and enlistment of young men, and from 33 to 60 because relatively more women than men in those ages do not yet have account numbers.

Fewer applications were received from older persons than in any previous quarter. The 23,000 accounts established for persons 60 years of age and over represented a 45-percent drop from the January-March 1945 number, and a 78-percent decline from the peak in October-December 1942.

Continuing the downward trend in the proportion of Negro applicants which began in the first quarter of last year, accounts established for Negroes this quarter were 14 percent

of the total, as compared with 17 percent in January-March 1945. The number of Negro men who applied for new accounts, however, declined by only 9 percent, while the number of applications filed by Negro women was less than half the total in the first quarter of 1945.

By the end of March, the cumulative total of social security accounts established had risen to 84.4 million, and an estimated 75.7 million living persons, or 70 percent of the estimated population aged 14 and over, held account numbers.

#### Monthly Benefits in Current-Payment Status, May 1946

At the end of May, almost 1.5 million benefits were in current-payment status at a monthly rate of more than \$27.6 million (table 4).

During May, 54,200 monthly benefits were awarded, more than in any previous month. Only for parent's benefits were fewer awards processed than in April. Widow's benefits increased 24 percent; for other types of benefits the increase was less than 5 percent.

Despite the large number of benefits awarded in May, the proportionate increase in the number of benefits in current-payment status was lower than for any month since August 1945. For primary, wife's, and widow's current benefits the ratio of benefits in current-payment status to all benefits in force dropped slightly because of the increased number of benefits suspended. For primary and wife's benefits the suspensions processed in May were almost 40 percent more than in April and more than double the March number. Part of these increases may have been due to the large number of persons who had been temporarily without income either directly or indirectly because of strikes. Because they were therefore not eligible for unemployment benefits, many people who had not planned to retire at this time and who otherwise would not have filed for old-age and survivors insurance benefits may have decided to file in order to receive current income. As the strikes were settled, these persons returned to work and their benefits were suspended.

Table 3.—Distribution of account-number applicants under 20 years of age, by sex and age, January-March, 1946 and 1945

Age	Total			Male			Female		
	January-March		Percent-age change	January-March		Percent-age change	January-March		Percent-age change
	1946	1945		1946	1945		1946	1945	
Under 20, total....	215,781	339,774	-36.5	112,765	190,062	-40.7	103,016	149,712	-31.2
Under 18, total....	159,409	261,216	-39.0	91,128	159,905	-43.0	68,281	101,311	-32.6
Under 14.....	9,529	18,885	-49.5	8,068	16,620	-51.5	1,461	2,265	-35.5
14.....	14,946	28,707	-47.9	10,899	21,279	-48.8	4,047	7,428	-45.5
15.....	32,240	60,017	-46.3	20,316	39,096	-48.0	11,924	20,921	-43.0
16.....	49,467	77,055	-35.8	26,346	43,288	-39.1	23,121	33,787	-31.6
17.....	53,227	76,552	-30.5	25,499	39,642	-35.7	27,728	36,910	-24.9
18.....	32,102	44,986	-28.6	13,870	19,722	-29.7	18,232	25,264	-27.8
19.....	24,270	33,572	-27.7	7,767	10,435	-26.6	16,503	23,137	-28.7



Table 4.—Monthly benefits in current-payment status<sup>1</sup> at the end of the month, by type of benefit and month, May 1945–May 1946, and monthly benefit actions, by type of benefit, May 1946

[Amounts in thousands; data corrected to June 19, 1946]

Item	Total		Primary		Wife's		Child's		Widow's		Widow's current		Parent's	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Monthly benefits in current-payment status at end of month:														
1945														
May	1,079,975	\$19,663.4	420,926	\$10,060.3	129,126	\$1,639.5	341,133	\$4,233.2	79,112	\$1,594.5	104,184	\$2,064.1	5,494	\$71.8
June	1,106,062	20,162.8	430,723	10,310.6	132,155	1,680.6	348,413	4,324.1	81,500	1,642.4	107,597	2,131.7	5,614	73.4
July	1,128,103	20,609.3	440,902	10,575.6	135,493	1,725.5	351,905	4,361.2	83,711	1,686.8	110,371	2,185.5	5,721	74.7
August	1,150,767	21,070.9	451,662	10,852.8	138,700	1,769.4	356,318	4,416.1	85,666	1,726.9	112,603	2,229.7	5,818	76.0
September	1,180,021	21,648.4	464,720	11,186.7	142,736	1,823.3	364,319	4,521.9	87,461	1,763.5	114,875	2,275.8	5,910	77.2
October	1,218,023	22,414.2	482,989	11,660.7	148,378	1,899.3	374,145	4,651.8	89,473	1,804.8	117,029	2,319.1	6,009	78.5
November	1,255,792	23,164.5	501,786	12,131.6	154,101	1,974.1	383,054	4,767.9	91,715	1,851.0	119,013	2,359.9	6,123	80.0
December	1,288,107	23,801.1	518,234	12,538.2	159,168	2,039.9	390,134	4,857.5	93,781	1,893.1	120,581	2,391.4	6,209	81.1
1946														
January	1,324,496	24,573.0	538,006	13,057.9	164,909	2,119.4	397,062	4,948.3	96,105	1,941.0	122,121	2,424.3	6,293	82.2
February	1,362,473	25,374.3	558,757	13,599.7	171,057	2,203.7	404,092	5,040.5	98,531	1,989.9	123,670	2,457.3	6,366	83.2
March	1,403,698	26,232.6	581,084	14,171.8	177,795	2,293.6	411,429	5,138.2	101,409	2,048.1	125,515	2,496.3	6,466	84.5
April	1,441,074	26,976.7	600,759	14,657.3	183,570	2,368.3	419,153	5,236.3	104,035	2,101.2	126,989	2,527.9	6,568	85.7
May	1,474,015	27,633.1	617,562	15,076.0	188,668	2,435.3	426,141	5,324.1	107,254	2,166.2	127,756	2,544.8	6,634	86.6
Monthly benefit actions, May 1946:														
In force <sup>2</sup> beginning of month	1,624,005	30,671.3	694,103	16,939.0	205,611	2,649.3	446,239	5,564.6	105,763	2,135.5	165,632	3,296.0	6,657	86.8
Benefits awarded in month	54,244	1,080.8	26,295	662.0	8,916	116.8	10,975	139.9	3,805	76.7	4,112	83.5	141	1.9
Entitlements terminated <sup>3</sup>	13,009	239.4	4,289	105.1	2,153	27.4	3,396	44.4	511	10.0	2,587	51.5	73	1.0
Net adjustments <sup>4</sup>	-74	11.0	-35	8.7	-32	1.0	1	1.2	-9	-2	1	.3	0	( <sup>5</sup> )
In force end of month	1,665,166	31,523.7	716,074	17,504.6	212,342	2,739.7	453,819	5,661.3	109,048	2,202.0	167,158	3,328.3	6,725	87.7

<sup>1</sup> Benefit in current-payment status is subject to no deduction or only to deduction of fixed amount which is less than current month's benefit.<sup>2</sup> Represents total benefits awarded, including benefits in current, deferred, and conditional-payment status, after adjustment for subsequent changes in number and amount of benefits (see footnote 4) and terminations (see footnote 3), cumulative from January 1940.<sup>3</sup> Benefits are terminated when a beneficiary dies or loses entitlement to benefits for the reasons specified in 1939 amendments, sec. 202.<sup>4</sup> Adjustments result from operation of maximum and minimum provisions of 1939 amendments, sec. 203 (a) and (b), and from other administrative actions.<sup>5</sup> Decrease of less than \$50.

## Public Assistance

### Levels of Assistance Payments

In the 5 years from December 1940 to December 1945, average payments of aid to the blind and general assistance in the Nation as a whole rose about one-third; the average for old-age assistance rose one-half, and that for aid to dependent children, three-fifths (table 1). Part of the increase in the national averages was, of course, due to particularly large increases in payments in some States resulting from the inauguration of new State-Federal programs in the place of earlier programs financed chiefly from county funds.

Some States increased average payments before 1940; of the States that made increases between 1940 and 1945, some would undoubtedly have done so regardless of mounting living costs, in order to provide more adequately for needy people. Nevertheless, to a considerable extent the

increase in average payments resulted from an attempt on the part of the States to adjust payments to meet the rise in living costs. Some of the States, however, started this adjustment from a very low level. A decline in case loads made possible by generally improved economic conditions enabled States both to raise the level of assistance and to adjust

payments to meet the rise in the cost of living. Many States made such adjustment possible by liberalizing or removing State maximums. The increase in average payments for general assistance results partly from the liberalization of State maximums for the special types of public assistance. With these liberalizations, payments for the special types, particularly payments for aid to dependent children, had less often to be supplemented from general assistance. With fewer

Table 1.—Average monthly payment December 1940–45 and percentage increase from December 1940, by program

Month and year	Old-age assistance		Aid to dependent children		Aid to the blind		General assistance	
	Amount	Percentage increase from December 1940	Amount	Percentage increase from December 1940	Amount	Percentage increase from December 1940	Amount	Percentage increase from December 1940
December:								
1940	\$20.26	—	\$32.39	—	\$25.37	—	\$24.28	—
1941	21.27	5.0	33.63	3.8	25.81	1.7	24.39	0.5
1942	23.37	15.4	36.27	12.0	26.54	4.6	25.23	3.9
1943	26.66	31.6	41.57	28.3	27.95	10.2	27.76	14.3
1944	28.43	40.3	45.58	40.7	29.31	15.5	28.77	18.5
1945	30.82	52.1	52.05	60.7	33.52	32.1	32.83	35.2

Table 2.—Number of States with average payment in specified interval, by program, December 1945

Average payment	Number of States			
	Old-age assistance	Aid to the blind	Aid to dependent children (per family)	General assistance (per case)
Total....	51	48	50	46
Less than \$10.00.....				1
10.00-19.99....	11	7		8
20.00-29.99....	9	10	8	15
30.00-39.99....	27	22	15	15
40.00-49.99....	3	7	7	7
50.00-59.99....	1	2	7	
60.00-69.99....			11	
70.00-79.99....			2	
80.00-89.99....			6	
90.00-99.99....			1	

small supplementary payments from general assistance funds, the average general assistance payment rose.

It is difficult to determine what the increase in the size of assistance payments has meant to recipients in terms of purchasing power and whether assistance is more nearly adequate now than formerly. Esti-

mates vary as to the rise in the cost of living during the 5 years ended in December 1945. The consumer's price index for moderate-income families in large cities shows that in December 1945 the average cost of all items in a family budget was nearly 29 percent higher than in December 1940.<sup>1</sup> A higher estimate<sup>2</sup> of a 33-percent increase from January 1941 to September 1945 took into account the effects of quality deterioration, the unavailability of low-priced merchandise, and the increase in living costs in small cities, only partly measured by the BLS index. Furthermore, it is generally agreed that the scarcity of low-priced goods has increased living costs more sharply for persons at subsistence levels than for those with moderate income.

Little is known about what it actually costs recipients of assistance to

<sup>1</sup> Computed from Consumers' Price Index of the Bureau of Labor Statistics, U. S. Department of Labor, December 1940 and December 1945.

<sup>2</sup> Made by the Committee on the Cost of Living Index, appointed by the President.

live in different areas throughout the country and the amount of income they may have from sources other than assistance. Consequently, it is difficult to establish how poorly or how well these people manage to live. The variations in average payments of States are greater than can be accounted for by regional variations either in the cost of living or in the amount of cash income from sources other than assistance<sup>3</sup> (table 2). It can be inferred from these data, therefore, that recipients live far more meagerly in some States than in others.

In many of the low-income States, assistance payments are particularly inadequate, despite substantial increases in payments during the war years. The total cash income, including the assistance payment and cash income from all other sources, of re-

<sup>3</sup> For discussion of distribution of assistance payments in November 1945 and factors explaining State differences in payments, see *Assistance Payments Under State-Federal Programs, 1945*, issued by the Bureau of Public Assistance, July 1946.

Table 3.—Public assistance in the United States, by month, May 1945–May 1946<sup>1</sup>

Month	Total	Old-age assistance	Aid to dependent children		Aid to the blind	General assistance	Total	Old-age assistance	Aid to dependent children		Aid to the blind	General assistance
			Families	Children					Families	Children		
1945	Number of recipients						Percentage change from previous month					
May.....		2,040,661	255,983	646,828	71,254	237,000	-----	-0.2	(1)	(1)	-0.3	-5.7
June.....		2,038,395	255,675	646,808	71,143	234,000	-----	-1	-0.1	(1)	-2	-1.4
July.....		2,034,531	254,310	644,088	70,935	231,000	-----	-2	-5	-0.4	-3	-1.3
August.....		2,033,135	255,114	647,187	70,850	229,000	-----	-1	+3	+5	-1	-9
September.....		2,034,541	258,589	657,861	70,654	232,000	-----	+1	+1.4	+1.6	-3	+1.3
October.....		2,039,661	263,003	669,317	70,699	239,000	-----	+3	+1.7	+1.7	+1	+3.2
November.....		2,047,405	268,213	683,899	70,886	242,000	-----	+4	+2.0	+2.2	+3	+1.3
December.....		2,055,851	274,300	701,803	71,453	256,000	-----	+4	+2.3	+2.6	+8	+5.5
1946												
January.....		2,059,312	279,881	716,669	71,654	274,000	-----	+2	+2.0	+2.1	+3	+7.3
February.....		2,062,679	286,231	733,632	72,041	293,000	-----	+2	+2.3	+2.4	+5	+6.6
March.....		2,071,092	292,741	751,839	72,352	302,000	-----	+4	+2.3	+2.5	+5	+3.2
April.....		2,088,030	300,938	772,570	72,739	292,000	-----	+8	+2.8	+2.8	+5	-3.4
May.....		2,098,978	307,059	786,712	73,227	283,000	-----	+5	+2.0	+1.8	+7	-3.2
1945	Amount of assistance						Percentage change from previous month					
May.....	\$80,890,492	\$59,825,582	\$12,037,783	\$2,124,127	\$6,903,000	+0.9	+1.3	+0.4	+0.3	-1.7		
June.....	81,123,746	60,047,047	12,133,574	2,147,125	6,796,000	+3	+4	+8	+1.1	-1.6		
July.....	81,399,186	60,536,297	12,091,159	2,153,730	6,618,000	+3	+8	-3	+3	-2.6		
August.....	82,321,517	60,943,111	12,260,634	2,278,772	6,839,000	+1.1	+7	+1.4	+5.8	+3.3		
September.....	83,243,795	61,393,799	12,654,076	2,305,920	6,890,000	+1.1	+7	+3.2	+1.2	+7		
October.....	85,196,850	62,137,738	13,171,371	2,346,741	7,541,000	+2.3	+1.2	+4.1	+1.8	+9.4		
November.....	86,660,758	62,828,837	13,772,103	2,364,818	7,695,000	+1.7	+1.1	+4.6	+8	+2.0		
December.....	88,428,913	63,361,293	14,278,421	2,395,199	8,394,000	+2.0	+8	+3.7	+1.3	+9.1		
1946												
January.....	90,346,718	63,962,322	14,726,462	2,402,934	9,255,000	+2.2	+9	+3.1	+3	+10.3		
February.....	92,070,048	64,418,197	15,272,901	2,426,950	9,952,000	+1.9	+7	+3.7	+1.0	+7.5		
March.....	93,616,319	64,877,555	15,772,377	2,443,387	10,523,000	+1.7	+7	+3.3	+7	+5.7		
April.....	93,568,325	65,445,061	16,195,125	2,463,139	9,465,000	-1	+9	+2.7	+8	-10.1		
May.....	94,241,144	65,877,108	16,475,242	2,485,794	9,403,000	+7	+7	+1.7	+9	-7		

<sup>1</sup> Partly estimated and subject to revision. Excludes programs administered without Federal participation in States administering such programs concurrently with programs under the Social Security Act.

<sup>2</sup> Decrease of less than 0.05 percent.

<sup>3</sup> Increase of less than 0.05 percent.

recipients of old-age assistance in five such States in April 1946 is estimated roughly as follows:<sup>1</sup>

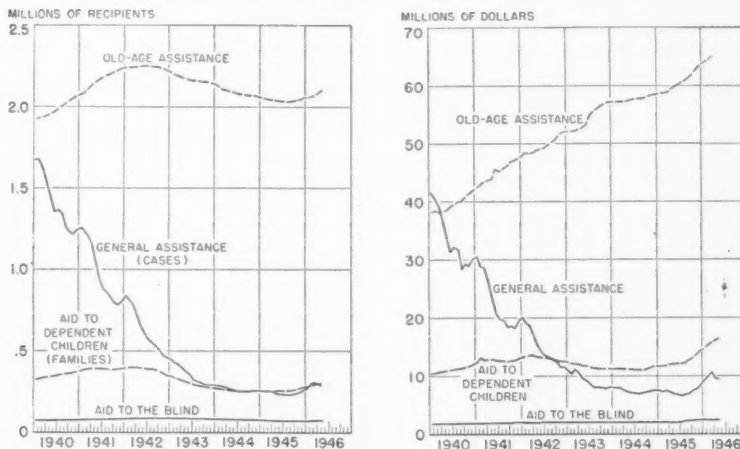
State	Cash income
Mississippi.....	\$20.75
North Carolina.....	19.75
Tennessee.....	18.00
Virginia.....	28.50
West Virginia.....	18.25

Frequently, this income is used to meet the needs of more than one person; the average is approximately 1.5 persons in each of these States. In addition to their cash income, however, most of the recipients had some income in kind, such as shelter or farm and garden produce.

An analysis of a representative sample of individual assistance plans for families receiving aid to dependent children in one State in March 1946 showed that, in less than 3 percent of the cases, payments met need as determined by the agency. In 46 percent of the cases, the unmet need was \$40 or more. The average payment of \$35.16, plus the average income of \$11.67 from sources other than assistance, met only a little more than half the average requirements of \$89.04.

<sup>1</sup> Based on a Bureau of Public Assistance study of incomes and living arrangements of recipients of old-age assistance in 21 States, 1944.

Chart 1.—Recipients and assistance payments, January 1940–May 1946



Most recipients of assistance have only small amounts of cash income from sources other than public assistance. For example, for 21 States in a month of 1944, cash income other than assistance averaged \$4.09 per case receiving old-age assistance. It is therefore evident that, in spite of the increases in average payments, recipients of assistance in some States under present high price levels are living on the barest minimum.

## Program Operations

The 3.4-percent decline in the general assistance load from March to April was followed by a further decline of 3.2 percent from April to May. About half the decrease in the national case load resulted from a drop of 21 percent in Michigan, representing a partial recovery from the effects of the automotive strike. In no other State did the number of assistance

Table 4.—Old-age assistance: Recipients and payments to recipients, by State, May 1946<sup>1</sup>

State	Number of recipients	Payments to recipients		Percentage change from—				State	Number of recipients	Payments to recipients		Percentage change from—			
		Total amount	Average	April 1946 in—		May 1945 in—				Total amount	Average	April 1946 in—		May 1945 in—	
				Number	Amount	Number	Amount					Number	Amount	Number	Amount
Total.....	2,068,978	\$65,877,108	\$31.39	+0.5	+0.7	+2.9	+10.1	Mo.....	104,608	\$2,931,058	\$28.02	+0.7	+2.4	+4.0	+25.2
Ala.....	38,435	662,124	17.23	+1.8	+3.6	+20.8	+33.3	Mont.....	10,738	349,912	32.59	-0.2	(2)	-4	+5.1
Alaska.....	1,366	55,795	40.85	+7	+1.1	+4.0	+23.8	Nebr.....	24,263	781,781	32.22	+4	+8	+2	+12.7
Ariz.....	9,704	376,161	38.76	+9	+9	+2.4	+3.0	Nev.....	1,942	75,269	38.76	+1	+1	+1.3	+2.3
Ark.....	27,079	458,632	16.94	+1.9	+2.3	-4.0	-9.6	N. H.....	6,578	205,626	31.26	-1	+7	+4	+5.1
Calif.....	161,523	7,682,732	47.56	+4	+5	+2.5	+3.1	N. J.....	22,918	761,284	33.22	-1	+4	-3.4	+1.4
Colo.....	40,431	1,677,074	41.48	-3	-2	-3	(2)	N. Mex.....	6,588	205,378	31.17	+1.7	+1.6	+14.3	+11.1
Conn.....	14,614	385,030	40.72	+6	+6	+16.1	+1.3	N. Y.....	104,100	3,915,299	37.61	+2	-1.4	+3	+10.5
Del.....	1,193	22,637	18.97	-4	+4	-9.6	+11.6	N. C.....	32,744	452,610	13.82	+1	+2	(2)	+11.8
D. C.....	2,309	76,931	33.32	(2)	-8	-5.4	-8	N. Dak.....	8,706	301,124	34.59	+1	-2	-6	+2.8
Fla.....	45,291	1,376,847	30.40	+1.5	+2.2	+11.6	+17.8	Ohio.....	116,561	3,701,168	31.75	+2	+9	-1.8	+4.7
Ga.....	69,300	887,994	12.81	+1.0	+2.1	+4.2	+17.3	Okla.....	85,811	3,039,945	35.43	+1.0	+1.1	+10.2	+34.1
Hawaii.....	1,481	37,178	25.10	+1.0	+2.2	+3.3	+14.4	Oreg.....	20,917	822,582	39.33	+6	+1.0	+4.8	+17.9
Idaho.....	9,871	323,922	32.82	+4	+6	+2.1	+10.8	Pa.....	85,589	2,643,298	30.88	+3	+4	+3.3	+6.9
Ill.....	125,036	4,238,619	33.90	+2	+6	+2.6	+9.3	R. I.....	7,546	265,748	35.22	+6	+1.0	+4.4	+9.5
Ind.....	54,343	1,436,219	26.43	+3	+7	-2.0	+1.3	S. C.....	22,971	368,810	16.06	+1.9	+2.1	+7.3	+22.1
Iowa.....	48,378	1,631,418	33.72	0	+5	-2.0	+5.0	S. Dak.....	12,698	343,885	27.08	+2	+6	-1	+10.8
Kans.....	29,315	899,096	30.67	+6	+3	+4.2	+11.4	Tenn.....	38,281	623,003	16.27	+7	+8	+7	+1.9
Ky.....	44,521	823,230	11.75	-7	-3	-8.7	-6.1	Tex.....	181,219	4,403,949	24.30	+1.3	+1	+7.1	+9.1
La.....	37,596	796,433	21.18	+9	+1.8	+3.2	-6.7	Utah.....	12,800	501,286	39.16	+1	+3	-6	+1.5
Maine.....	15,072	465,776	30.90	-2	+3	+1.0	+6.0	Vt.....	5,282	126,600	23.97	+1.6	+2.7	+2.4	+11.9
Md.....	11,506	326,018	28.33	+4	+8	-1.0	+1.5	Va.....	14,918	227,631	15.26	+2	+5	-1.2	+10.6
Mass.....	79,167	3,666,963	46.32	+6	+8	+5.9	+14.7	Wash.....	64,850	3,458,294	53.48	+1	+7	+7.4	+20.1
Mich.....	89,061	2,983,455	33.50	+5	+8	+5.4	+15.9	W. Va.....	18,792	322,470	17.16	+7	+1.0	+1.4	-3.3
Minn.....	54,083	1,821,755	33.68	-4	+8	-1.8	+10.4	Wis.....	46,185	1,431,079	30.99	+2	+7	+2.3	+9.5
Miss.....	27,190	449,217	16.52	+6	+1.4	-1.5	+6.2	Wyo.....	3,508	136,763	38.99	+3	+4	+4.0	+19.1

<sup>1</sup> For definitions of terms see the *Bulletin*, July 1945, pp. 27-28. All data subject to revision.

<sup>2</sup> Increase of less than 0.05 percent.

cases increase or diminish as much as 10 percent.

According to data furnished by

large-city general assistance agencies, the downward trend during April and May was showing signs of wavering.

Though fewer cases were aided in May than in April, during May more new cases were opened than were

Table 5.—General assistance: Cases and payments to cases, by State, May 1946<sup>1</sup>

State	Number of cases	Payments to cases		Percentage change from—			
		Total amount	Average	April 1946 in—		May 1945 in—	
				Number	Amount	Number	Amount
Total <sup>2</sup>	283,000	\$9,403,000	\$33.26	-3.2	-0.7	+19.3	+36.2
Ala.	4,105	62,062	15.12	+2.7	+3.3	+32.6	+43.2
Alaska	203	7,226	35.60	+1.0	-7.4	+48.2	+62.0
Ariz.	2,429	61,009	25.12	+9.6	-8.4	+54.6	+71.2
Ark.	2,729	32,714	11.99	+1.2	+2.1	+3.1	+5.2
Calif.	17,241	742,244	43.05	+1	+3.9	+52.2	+74.0
Colo.	3,512	117,424	33.44	-1.3	-4	+6.5	+17.2
Conn.	3,083	111,004	36.01	-7.6	-6.3	+25.7	+39.0
Del.	422	13,189	31.25	-9.4	+3.9	+24.1	+61.1
D. C.	777	30,024	38.64	+1.7	+2.4	+3.5	+10.4
Fla.	3,700	38,000					
Ga.	2,546	33,285	13.07	-5.6	-6.3	-2.0	+7.2
Hawaii	643	23,931	37.22	-1.8	-1.5	+17.6	+39.2
Idaho	516	12,472	24.17	-1.0	-5	-11.9	+2.4
Ill.	19,905	758,706	38.12	-1.1	+2	-15.0	-3.3
Ind.	9,423	215,506	22.87	-7.0	+1	+64.7	+78.0
Iowa	4,030	82,030	20.36	-1.8	-3.2	+4.9	+10.6
Kans.	3,649	120,002	32.89	+1.0	-4	+12.4	+29.4
Ky.	2,300	34,000					
La.	7,303	149,987	20.54	+1.0	+2.3	+5.6	+15.9
Maine	2,064	71,184	34.49	-1.2	-6.8	+6.6	+17.9
Md.	6,490	209,448	32.27	+1.3	+1.3	+35.5	+37.9
Mass.	13,483	494,322	36.66	-4.3	-8	+9.7	+19.8
Mich.	19,606	762,253	38.88	-21.2	-3.0	+90.6	+124.8
Minn.	5,374	165,621	30.82	-2.0	-7.5	+1.5	+18.8
Miss.	396	3,488	8.81	+4.8	+3.8	+21.6	+16.5
Mo.	8,799	188,011	21.37	+1.6	+4.2	+4.7	+8
Mont.	1,073	27,385	25.52	-6.7	-7.6	+13.2	+18.1
Nebr.	1,830	43,751	23.91	+5	+5.1	+15.8	+29.7
Nev.	225	4,690	20.88	-8.5	-10.0	+37.2	+42.0
N. H.	1,079	30,435	28.21	-3.9	-10.2	-4.9	-2.4
N. J.	5,048	198,003	39.22	-4.6	-1.3	+10.7	+28.9
N. Mex.	1,360	23,724	17.44	+7	-3	+19.7	-7.2
N. Y.	39,412	1,887,906	47.90	-4	-2.5	+9.1	+17.8
N. C.	2,689	31,466	11.70	-2	+3	+12.0	+21.4
N. Dak.	650	17,011	26.17	-2.7	-3.9	+1.7	+13.4
Ohio	15,652	518,105	33.10	-4.6	-6.5	+42.6	+69.5
Okl.	5,589	58,974	(10)	+4.3	(10)	+49.7	
Oreg.	4,367	211,761	48.49	-2.6	-2.1	+14.5	+35.5
Pa.	27,545	922,323	33.48	+7	+15.2	+34.2	+69.0
R. I.	2,214	82,415	37.22	+2.9	-8.1	+15.0	+29.3
S. C.	3,664	52,790	14.41	+6.5	+8.3	+34.8	+75.5
S. Dak.	820	18,153	22.14	+6	+2.6	-7.3	-2.6
Tenn.	1,300	12,800					
Texas	3,000	51,000					
Utah	1,771	77,189	43.58	+2.7	-3	+26.8	+37.0
Vt.	853	20,176	23.65	-6	-5.7	+4.7	+6.6
Va.	3,273	59,277	18.11	-7	-4	+6.2	+21.5
Wash.	7,902	406,496	51.44	-6.3	-5.2	+63.8	+81.9
W. Va.	4,557	59,564	13.07	-6.6	-24.1	+7.1	-1.8
Wis.	4,788	159,487	33.52	-5.1	-2.2	+3.1	+44.4
Wyo.	352	12,360	35.11	-1.7	-2.7	+4.1	+26.8

<sup>1</sup> For definitions of terms see the *Bulletin*, July 1945, pp. 27-28. All data subject to revision.

<sup>2</sup> Partly estimated; does not represent sum of State figures because total excludes payments for, and an estimated number of cases receiving, medical care, hospitalization, and burial only in Indiana and New Jersey, and an estimated duplication of cases in Oklahoma.

<sup>3</sup> State program only; excludes program administered by local officials.

<sup>4</sup> Based on actual reports including an estimated 96 percent of cases and 97 percent of payments.

<sup>5</sup> Estimated.

<sup>6</sup> Excludes assistance in kind and cases receiving assistance in kind only and, for a few counties, cash payments and cases receiving cash payments. Amount of payments shown represents 60 percent of total.

<sup>7</sup> Includes unknown number of cases receiving medical care, hospitalization, and burial only, and total payments for these services.

<sup>8</sup> Excludes a few cases and a small amount of local funds not administered by State agency.

<sup>9</sup> Includes cases receiving medical care only; number believed by State agency to be insignificant.

<sup>10</sup> Represents 3,650 cases aided by county commissioners and 1,939 cases aided under program administered by State Board of Public Welfare; amount of duplication believed to be large; average per case and percentage change in number of cases cannot be computed.

Table 6.—Aid to the blind: Recipients and payments to recipients, by State, May 1946<sup>1</sup>

State	Number of recipients	Payments to recipients		Percentage change from—			
		Total amount	Average	April 1946 in—		May 1945 in—	
				Number	Amount	Number	Amount
Total	73,227	\$2,485,794	\$33.95	+0.7	+0.9	+2.8	+17.2
Total, 47 States <sup>2</sup>	57,237	1,876,949	32.79	+8	+1.1	+3.0	+12.5
Ala.	844	15,128	17.92	+4	+2.5	+11.2	+25.7
Ariz.	521	24,412	46.86	+1.6	+1.7	+17.1	+13.5
Ark.	1,177	22,220	18.88	+1.3	+1.9	-4.2	-9.2
Calif.	5,819	337,683	58.03	+1.3	+1.4	+6.7	+29.8
Colo.	451	16,519	36.63	+1.1	+1.3	-4.2	-4.0
Conn.	135	5,194	38.47	-1.5	-6	+3.8	+13.1
Del.	46	1,402	(9)	(9)	(9)	(9)	(9)
D. C.	199	7,269	36.53	-5	-3	-1.5	-3.3
Fla.	2,359	74,412	31.54	+1.5	+1.9	+4.3	+9.9
Ga.	2,076	32,417	15.62	+8	+1.9	+2.8	+13.4
Hawaii	62	1,770	28.55	(9)	(9)	(9)	(9)
Idaho	201	7,049	35.07	+5	+6	-1.5	+9.2
Ill.	5,008	176,122	35.17	-2	+2	-3.1	+1.9
Ind.	1,930	56,790	29.42	+5	+5	-5.3	-6.6
Iowa	1,211	46,813	38.66	-1	+1.1	-4.0	+12.4
Kans.	1,067	35,938	33.68	+2	-2	+1.3	+10.4
La.	1,551	20,626	13.30	-1	+4	-1.9	-8
Maine	1,388	33,926	24.44	+4	+1.1	+7	-9.5
Md.	449	14,158	31.53	+7	-2	+1.4	+2.5
Mass.	1,059	49,892	47.11	+1.0	+1.2	+10.1	+16.8
Mich.	1,316	47,846	36.36	-3	+6	+5.5	+11.9
Minn.	951	37,334	39.26	+1.1	-2	+1.4	+7.2
Miss.	1,602	36,638	22.87	+4.5	+5.0	+9.8	+13.5
Mo.	2,750	82,500	60.00				
Mont.	351	12,502	35.62	+2.0	+2.2	+9.7	+14.6
Nebr.	434	14,132	32.56	-2	(9)	-2.5	+8.7
Nev.	27	1,212	(9)	(9)	(9)	(9)	(9)
N. H.	284	9,195	32.38	-4	+8	+4.8	+9.8
N. J.	546	19,007	34.81	-7	-8	+2.2	+7.4
N. Mex.	242	6,872	28.40	-8	-4	-1.6	-3.9
N. Y.	3,082	131,117	42.54	+5	-4	+6.4	+17.9
N. C.	2,575	54,482	21.16	+1.3	+2.0	+10.5	+27.1
N. Dak.	118	4,629	39.23	+1.7	+14.4	+2.6	+24.4
Ohio	3,006	87,305	28.36	(7)	+6	+1.8	+7.4
Okl.	1,993	72,914	36.59	+1.5	+1.7	+8.0	+25.0
Oreg.	367	17,764	48.40	-5	+9	-1.6	+3.1
Pa.	13,213	525,103	39.74	+6	+7	+3.9	+38.7
R. I.	109	3,782	34.70	+1.9	+2.6	(9)	(9)
S. C.	1,019	21,418	21.02	+1.8	+1.9	+11.4	+15.5
S. Dak.	211	5,118	24.26	-2.3	-1.8	-5.4	+4.2
Tenn.	1,558	31,265	20.07	+6	+1.0	+1.6	+1.9
Tex.	4,848	128,372	26.48	+1.5	+2.6	+4.8	+13.9
Utah	142	5,811	40.92	+1.4	-3	+10.9	+14.2
Vt.	166	5,339	32.16	+1.2	+2.8	+13.7	+28.3
Va.	969	18,541	19.13	0	+9	+1.6	+7.9
Wash.	639	37,810	59.17	+1.6	+2.9	+9.4	+25.0
W. Va.	830	16,182	19.50	+7	+1.2	-4.7	-2.1
Wis.	1,347	42,060	31.22	-5	+2	-4.7	-2.1
Wyo.	114	4,738	41.56	0	-7	0	+12.7

<sup>1</sup> For definitions of terms see the *Bulletin*, July 1945, pp. 27-28. Figures in italics represent programs administered without Federal participation. Data exclude program administered without Federal participation in Connecticut, which administers such program concurrently with program under the Social Security Act; see the *Bulletin*, April 1945, p. 26. Alaska does not administer aid to the blind. All data subject to revision.

<sup>2</sup> Under plans approved by the Social Security Board.

<sup>3</sup> Average payment not calculated on base of less than 50 recipients; percentage change, on less than 100 recipients.

<sup>4</sup> Payments under approved plan first made in November 1945.

<sup>5</sup> Estimated.

<sup>6</sup> Represents statutory monthly pension of \$30 per recipient; excludes payments for other than a month.

<sup>7</sup> Decrease of less than 0.05 percent.



closed. Whereas in 11 reporting cities employment changes were responsible for 515 more closings than openings during April, during May this factor resulted in 1,373 more openings than closings.

Case loads for the special types of

public assistance continued to rise slightly in May. Increases in old-age assistance and aid to the blind were again less than 1 percent. The total number of families in which a payment of aid to dependent children was made rose 2 percent. In the

District of Columbia and Texas, the rise was three times this large. For the country as a whole, the average payment of old-age assistance and aid to the blind was a few cents higher and the average for aid to dependent children, slightly lower.

Table 7.—Aid to dependent children: Recipients and payments to recipients, by State, May 1946<sup>1</sup>

State	Number of recipients		Payments to recipients		Percentage change from—					
	Families	Children	Total amount	Average per family	April 1946 in—			May 1945 in—		
					Number of—		Amount	Number of—		Amount
					Families	Children		Families	Children	
Total.....	307,059	786,712	\$16,475,242	\$53.65	+2.0	+1.8	+1.7	+20.0	+21.6	+36.9
Total, 50 States <sup>2</sup> .....	307,017	786,620	16,474,034	53.66	+2.0	+1.8	+1.7	+20.0	+21.7	+36.9
Alabama.....	6,707	18,768	191,027	28.48	+2.1	+2.8	+2.8	+32.3	+34.2	+50.5
Alaska.....	105	295	5,189	49.42	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )
Arizona.....	1,792	5,204	71,663	39.99	+2.3	+2.4	+2.1	+25.2	+25.8	+26.5
Arkansas.....	4,411	11,795	123,714	28.05	+3.1	+3.3	+3.0	+19.8	+20.6	+32.2
California.....	7,798	19,821	695,152	89.14	+2.8	+2.8	+3.0	+13.1	+12.8	+32.8
Colorado.....	3,700	10,089	228,433	61.74	+7	+5	+3	+34.3	+30.9	+57.1
Connecticut.....	2,671	6,627	243,710	91.24	+2.5	+2.2	+3.3	+4	—4	+14.0
Delaware.....	271	771	20,439	75.42	—4	—1.4	+6	+28.2	+29.1	+39.8
District of Columbia.....	777	2,478	50,733	65.29	+6.0	+5.7	+4.0	+23.4	+22.8	+25.8
Florida.....	6,583	16,167	224,020	34.03	+3	—3	( <sup>4</sup> )	+17.1	+18.5	+26.6
Georgia.....	4,640	11,737	124,880	26.91	+3.1	+3.4	+3.8	+23.6	+27.0	+46.9
Hawaii.....	633	1,990	44,000	69.51	+3.8	+3.5	+2.4	+15.6	+14.9	+94.4
Idaho.....	1,413	3,806	87,350	61.82	+2.4	+1.8	+2.7	+9.7	+11.2	+50.1
Illinois.....	21,750	52,737	1,490,333	68.06	+9	+1.1	+2.0	+5.9	+10.1	+11.6
Indiana.....	6,529	15,745	249,204	38.17	+1.8	+2.0	+2.3	+15.8	+19.1	+43.7
Iowa.....	3,579	9,206	121,061	33.83	+1.5	+1.7	+1.8	+18.9	+21.1	+40.0
Kansas.....	3,476	8,930	198,809	57.10	+1.6	+1.8	+1.5	+19.2	+15.8	+17.6
Kentucky.....	5,628	14,719	121,026	21.50	—5	—1.3	—2	+3.3	+4.2	—16.5
Louisiana.....	9,476	24,596	338,151	35.68	+1.6	+1.7	+2.4	+19.5	+20.5	+36.1
Maine.....	1,583	4,486	114,770	72.50	—4	—6	—8	+32.5	+32.6	+32.3
Maryland.....	3,786	10,902	142,227	37.57	+2.7	+2.7	+1.8	+14.6	+15.7	+20.0
Massachusetts.....	8,217	20,475	692,669	84.30	+1.4	+1.3	—2	+32.1	+31.0	+51.2
Michigan.....	16,612	39,777	1,145,891	68.98	+2.0	+2.0	+2.1	+6.7	+7.1	+37.7
Minnesota.....	5,148	13,010	277,881	53.98	+1.4	+1.0	+2.0	+18.7	+21.9	+20.8
Mississippi.....	3,345	8,808	87,978	26.30	+2.1	+2.1	+2.1	+33.3	+37.2	+43.6
Missouri.....	14,491	38,173	524,822	36.22	+3.0	+2.8	+3.1	+12.4	+17.8	+43.9
Montana.....	1,473	3,897	81,680	55.45	+1.1	+1.2	+1.6	+11.5	+12.9	+121.4
Nebraska.....	2,521	5,980	164,699	65.40	+1.4	+1.1	+1.7	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )
Nevada.....	42	98	1,898	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )
New Hampshire.....	925	2,350	66,993	72.42	+5	—6	+2.4	+23.2	+25.8	+30.4
New Jersey.....	3,595	9,097	233,566	64.97	+2.1	+1.7	+3.3	+3	+12.4	+23.7
New Mexico.....	2,831	7,452	104,189	36.80	+1.8	+1.6	+1.4	+14.6	+9.9	+6.7
New York.....	28,323	67,780	2,276,780	80.39	+2.5	+1.1	+5	+51.6	+56.0	+67.0
North Carolina.....	6,446	17,409	180,614	28.02	+7	+5	+1.3	+5.2	+11.2	+20.5
North Dakota.....	1,474	4,102	88,335	59.93	—1	—8	—5	—1.0	—8	+7.8
Ohio.....	8,245	22,578	471,800	57.22	+1.1	+1.1	+8	+9.9	+10.9	+16.2
Oklahoma.....	19,149	46,780	670,734	35.03	+4.1	+4.2	+3.5	+13.6	+16.4	+22.3
Oregon.....	1,414	3,520	120,288	85.07	+2.7	+2.9	+2.8	+41.6	+39.9	+49.9
Pennsylvania.....	31,132	81,824	2,056,077	66.04	+2.2	+1.9	+2.6	+40.2	+40.7	+44.9
Rhode Island.....	1,726	4,436	119,804	69.41	+8	+1.4	+2.6	+15.5	+15.3	+12.2
South Carolina.....	4,251	12,411	99,843	23.49	+2.6	+2.6	+3.0	+14.6	+14.6	+14.6
South Dakota.....	1,667	4,102	66,304	39.77	+1.5	+2.6	+2.8	+7.0	+7.0	+1.9
Tennessee.....	11,698	30,799	338,816	28.96	+4	+1	—5.4	—19.3	—9.1	+3.7
Texas.....	8,847	21,740	236,181	26.70	+6.7	+7.0	+1.8	+11.9	+13.4	+16.5
Utah.....	2,077	5,589	158,411	70.27	+1.4	+9	+2.3	+7.0	+10.9	+10.9
Vermont.....	614	1,637	22,005	35.84	+1.2	+1.3	—1	+9.5	+10.8	+27.5
Virginia.....	3,785	10,858	129,233	34.14	—7	—3	—1.1	+45.9	+45.3	+62.9
Washington.....	5,092	12,513	503,831	98.95	+4.3	+4.1	+3.2	+10.6	+10.8	+6.7
West Virginia.....	7,845	21,896	247,470	31.54	+1.6	+1.6	+1.8	+12.6	+14.5	+31.7
Wisconsin.....	6,442	15,874	411,563	63.89	+9	+1.5	+1.7	+8.4	+9.6	+34.4
Wyoming.....	324	904	19,516	60.23	+1.9	+2.5	+1.8			

<sup>1</sup> For definitions of terms see the *Bulletin*, July 1945, pp. 27-28. Figures in italics represent program administered without Federal participation. Data exclude programs administered without Federal participation in Florida, Kentucky, and Nebraska, which administer such programs concurrently with programs under the Social Security Act; see the *Bulletin*, April 1945, p. 26. All data subject to revision.

<sup>2</sup> Under plans approved by the Social Security Board.

<sup>3</sup> Average payment not calculated on base of less than 50 families; percentage change, on less than 100 families.

<sup>4</sup> Increase of less than 0.05 percent.

## Social and Economic Data

### Social Security and Other Income Payments

#### All Income Payments to Individuals

Total income payments in May—\$13.4 billion—moved upward for the third successive month but stood 0.7 percent below the amount a year earlier (table 1). Compensation of employees, which had picked up somewhat in March and April, declined slightly in May and remained below the May 1945 level. A relatively small increase in the amount of wages and salaries paid to workers in commercial and industrial establishments was more than offset by a 26-percent drop in other pay rolls. In the latter group, a 42-percent decline in government pay rolls and an 8-percent decline in domestic wages were responsible for the decrease in noncovered wages and salaries. All other components of the income-payments series were above April levels and, except for military and subsistence allowances, were higher than in May 1945. Military allowances continued downward, but subsistence allowances to veterans taking educational or training courses increased sharply and, for the first time, made up the bulk of the payments in this category.

#### Social Insurance and Related Payments

An uninterrupted rise since July 1944 in total payments under the selected programs was halted in May, when the aggregate amount fell \$2.3 million below the April level (table 2). The total—\$475 million—represented 84 percent of all social insurance and related payments as estimated by the Department of Commerce. Retirement and survivor benefits continued upward in May, but the rise was more than offset by declines in unemployment insurance disbursements under 2 of the 3 programs. State unemployment insurance benefits declined for the second successive month, and veterans' unemployment allowances fell off for the first time since May 1945. Railroad unemployment insurance payments moved upward in May after a slight decline in the preceding month; in each of the past 3 months,

benefits to unemployed railroad workers have exceeded the total amount disbursed in 1945.

#### Recomputation of Civil-Service Annuities

Under Public Law No. 470 (79th Cong.), approved by the President on June 29, the annuities of certain Federal workers who had retired before the 1942 amendments to the Civil Service Retirement Act will be recomputed if the recomputation will result in larger annuities. The increases will become effective August 1.

Before the amendments of January 24, 1942,<sup>1</sup> retirement annuities were computed under one of two formulas, each heavily weighted in favor of employees in the low-salary groups. The

<sup>1</sup> See the *Bulletin*, February 1942, pp. 77-79.

1942 amendments increased the employee contribution from 3.5 to 5 percent of salary and introduced a third plan for computing annuities, which was more favorable than Plans I and II for workers in the middle and higher salary brackets. Plan III guarantees that workers who qualify for age or disability annuities, or who are involuntarily separated after 5 years of service, will receive an annuity of not less than  $\frac{1}{70}$  of their highest average salary for 5 consecutive years, multiplied by the number of years of service, not exceeding 35.

This provision was not retroactive, however; annuitants on the civil-service rolls at the time the act was passed could not qualify for a higher annuity unless they reentered Federal service and then retired again after the effective date of the amendments. Of the 50,000 living annuitants on the retirement and disability rolls on January 24, 1942, some 7,700 were affected by the amendments. Since that date,

Table 1.—Income payments to individuals, by specified period, 1936-46<sup>1</sup>

[In millions; data corrected to July 8, 1946]

Year and month	Total <sup>2</sup>	Compensation of employees <sup>3</sup>	Entrepreneurial income, net rents, and royalties	Dividends and interest	Public aid		Social insurance and related payments <sup>4</sup>	Military and subsistence allowances <sup>5</sup>
					Work relief <sup>6</sup>	Direct relief <sup>7</sup>		
1936.....	\$68,024	\$40,027	\$13,003	\$9,785	\$2,155	\$672	\$955	-----
1937.....	72,365	44,689	14,162	9,891	1,639	836	1,020	-----
1938.....	66,135	40,845	12,369	8,233	2,094	1,008	1,529	-----
1939.....	70,793	43,870	13,441	8,891	1,870	1,071	1,616	-----
1940.....	76,210	48,218	14,313	9,175	1,578	1,067	1,801	-----
1941.....	92,710	60,262	18,599	9,761	1,213	1,112	1,744	-----
1942.....	117,311	79,970	23,933	9,771	586	1,061	1,844	\$136
1943.....	143,089	101,813	27,161	10,389	57	940	1,703	1,020
1944.....	156,721	112,043	28,017	11,195	-----	942	1,970	2,548
1945.....	160,607	111,360	29,894	12,304	-----	990	2,925	2,949
1946.....	-----	-----	-----	-----	-----	-----	-----	-----
May.....	13,538	9,486	2,504	1,012	-----	81	201	254
June.....	13,692	9,320	2,493	1,024	-----	81	208	258
July.....	13,622	9,509	2,479	1,032	-----	81	218	260
August.....	13,207	9,143	2,441	1,042	-----	82	225	260
September.....	12,817	8,797	2,359	1,051	-----	83	261	259
October.....	12,952	8,792	2,428	1,060	-----	85	328	254
November.....	13,192	8,895	2,551	1,068	-----	87	355	232
December.....	13,102	8,838	2,537	1,073	-----	88	371	192
1946.....	-----	-----	-----	-----	-----	-----	-----	-----
January.....	13,069	8,648	2,626	1,079	-----	90	458	165
February.....	12,969	8,481	2,690	1,084	-----	92	486	134
March.....	13,141	8,670	2,631	1,091	-----	94	540	113
April.....	13,234	8,739	2,609	1,098	-----	93	565	130
May.....	13,447	8,726	2,805	1,104	-----	94	568	149

<sup>1</sup> Compensation of employees; entrepreneurial income, net rents, and royalties; and dividends and interest adjusted for seasonal variation.

<sup>2</sup> Includes veterans' bonus; May payments were \$1 million.

<sup>3</sup> Wage and salary payments minus deductions for employee contributions to social insurance and related programs. Includes industrial pensions, payments to the armed forces, and mustering-out pay.

<sup>4</sup> Earnings of persons employed by NYA, WPA, and CCC.

<sup>5</sup> Payments to recipients under 3 special public assistance programs and general assistance, value of food stamps under food stamp plan, and farm subsistence payments.

<sup>6</sup> Payments of old-age and survivors insurance, railroad retirement, Federal, State, and local retirement, workmen's compensation, State unemployment insurance, railroad unemployment insurance, veterans' pensions and compensation, and readjustment allowances to unemployed and self-employed veterans.

<sup>7</sup> Government portion of payments to dependents of members of the armed forces (portion deducted from military pay included under compensation of employees as part of military pay rolls) and subsistence allowances to veterans under the Servicemen's Readjustment Act of 1944.

Source: Department of Commerce, Office of Business Economics.

Table 2.—Selected social insurance and related programs, by specified period, 1940-46

[In thousands; data corrected to July 2, 1946]

Year and month	Retirement, disability, and survivor programs												Unemployment insurance programs				Readjustment allowances to self-employed veterans <sup>12</sup>	
	Total	Monthly retirement and disability benefits <sup>1</sup>				Survivor benefits								Rhode Island sickness compensation <sup>10</sup>	State unemployment insurance laws <sup>10</sup>	Servicemen's Readjustment Act <sup>11</sup>		Railroad Unemployment Insurance Act <sup>13</sup>
		Social Security Act <sup>2</sup>	Railroad Retirement Act <sup>3</sup>	Civil Service Commission <sup>4</sup>	Veterans Administration <sup>5</sup>	Monthly			Lump-sum <sup>8</sup>									
						Social Security Act <sup>6</sup>	Railroad Retirement Act <sup>3</sup>	Veterans Administration <sup>7</sup>	Social Security Act <sup>6</sup>	Railroad Retirement Act <sup>3</sup>	Civil Service Commission <sup>4</sup>	Veterans Administration <sup>7</sup>						
Number of beneficiaries																		
1945																		
May		561.6	166.4	87.3	1,105.6	518.4	4.3	500.9	18.5	2.2	2.3	4.4	7.2	98.0	28.1	0.8	8.9	
June		574.7	167.1	88.0	1,144.2	531.3	4.4	537.3	17.0	1.9	2.0	4.6	7.1	129.4	31.8	.8	10.6	
July		588.4	167.8	88.8	1,194.3	539.7	4.4	570.7	14.7	1.7	2.0	4.7	6.4	185.5	38.5	.6	11.9	
August		602.5	168.5	89.4	1,245.8	548.3	4.4	600.8	14.7	1.7	1.8	4.7	5.8	230.5	44.1	1.2	12.4	
September		619.9	169.5	89.9	1,309.3	560.1	4.4	628.8	12.1	1.8	1.4	4.7	5.0	612.1	73.2	2.1	12.3	
October		644.2	170.5	90.9	1,389.8	573.8	4.4	656.1	17.1	1.5	1.7	5.0	4.9	1,271.7	122.9	5.8	12.6	
November		669.1	171.8	91.7	1,464.8	586.7	4.4	680.2	12.8	1.4	1.3	4.1	4.5	1,313.4	217.7	9.3	13.5	
December		690.9	172.9	92.5	1,533.6	597.3	4.4	697.5	13.2	1.3	.7	3.8	4.4	1,319.0	405.0	12.7	21.1	
1946																		
January		716.7	174.2	93.7	1,620.7	607.8	4.4	725.0	17.8	1.8	2.6	4.5	4.4	1,624.3	695.5	21.9	44.0	
February		743.9	175.7	94.5	1,714.5	618.6	4.5	736.9	15.0	1.5	1.7	4.0	4.5	1,632.0	1,071.1	40.3	63.2	
March		773.3	177.4	95.7	1,866.5	630.4	4.5	751.0	15.9	1.8	1.5	5.3	4.7	1,591.8	1,507.2	51.0	141.9	
April		799.1	178.6	96.8	1,984.7	641.9	4.5	766.0	17.0	2.0	1.6	4.6	5.3	1,402.4	1,626.1	51.7	233.0	
May		821.4	179.8	98.0	2,046.0	652.7	4.5	783.3	17.3	1.7	2.1	4.6	7.6	1,315.0	1,574.0	66.7	279.2	
Amount of benefits <sup>14</sup>																		
1940	\$1,188,702	\$21,074	\$114,166	\$62,019	\$317,851	\$7,784	\$1,448	\$105,666	\$11,736	\$2,497	\$5,810	\$3,960		\$518,700		\$15,961		
1941	1,085,488	55,141	119,912	64,933	320,561	25,454	1,559	111,799	13,328	3,421	6,170	4,352		344,321		14,537		
1942	1,130,721	80,305	122,806	68,115	325,265	41,702	1,603	111,193	15,038	4,114	6,108	4,120		344,084		6,268		
1943	921,463	97,267	125,795	72,961	331,350	57,763	1,704	116,133	17,830	5,560	7,344	4,350	\$2,857	79,643		917		
1944	1,119,684	119,009	129,707	78,081	456,279	76,942	1,765	144,302	22,146	6,591	7,863	4,784	5,035	62,385	\$4,113	\$82	\$102	
1945	2,067,434	157,391	137,140	85,742	697,830	104,231	1,772	254,238	26,135	8,138	10,244	5,049	4,669	445,866	114,955	2,359	11,675	
1946																		
May	128,199	11,832	11,247	7,119	51,950	7,832	147	22,085	2,563	874	1,102	438	524	7,044	2,501	45	897	
June	135,603	12,127	11,379	7,137	54,804	8,036	152	22,613	2,346	716	956	462	517	9,686	3,572	42	1,059	
July	144,070	12,439	11,448	7,220	57,228	8,171	148	23,492	2,033	649	928	469	469	14,362	3,778	35	1,210	
August	151,598	12,762	11,484	7,263	59,483	8,309	149	23,450	2,021	693	842	461	425	17,948	5,013	72	1,223	
September	190,468	13,154	11,559	7,246	63,558	8,494	150	23,164	1,697	736	672	453	367	50,439	7,467	118	1,205	
October	263,582	13,709	11,630	7,337	69,602	8,705	148	25,511	2,432	658	855	532	355	106,449	14,088	337	1,254	
November	277,992	14,260	11,757	7,377	71,174	8,905	147	24,292	1,809	588	700	437	329	108,555	25,770	553	1,338	
December	302,050	14,736	11,864	7,440	76,722	9,065	149	26,845	1,857	578	366	356	317	106,624	42,244	777	2,111	
1946																		
January	378,881	15,339	11,997	7,542	80,183	9,234	150	26,511	2,539	812	1,396	13,450	325	133,246	83,322	1,351	4,484	
February	401,023	15,969	12,085	7,560	83,229	9,405	149	26,246	2,154	751	908	13,395	303	121,000	112,195	2,207	6,467	
March	463,196	16,635	12,238	7,670	92,277	9,597	150	25,924	2,263	883	883	13,525	343	127,013	148,958	3,210	14,627	
April	477,713	17,200	12,332	7,861	99,235	9,777	152	26,810	2,442	883	942	13,460	385	110,672	160,071	4,175	25,315	
May	475,365	17,600	12,388	7,970	102,302	9,943	149	27,416	2,461	797	1,250	13,460	551	103,888	154,800	4,238	29,600	

<sup>1</sup> Old-age retirement benefits under all acts, disability retirement benefits under the Railroad Retirement and Civil Service Retirement Acts, and disability payments to veterans.

<sup>2</sup> Primary and wife's benefits and benefits to children of primary beneficiaries. Partly estimated.

<sup>3</sup> Age and disability annuitants and pensioners as of last day of month. Payments represent amounts certified, minus cancellations. Widows receiving both survivor and death-benefit annuities are counted twice, but 2 or more individuals sharing 1 death-benefit annuity are counted as 1. Monthly payments to survivors include annuities to widows under joint and survivor elections and 12-month death-benefit annuities to widows and next of kin.

<sup>4</sup> Retirement and disability benefits include survivor benefits under joint and survivor elections; not adjusted for suspension of annuities of persons reemployed under the National Defense Acts of June 28, 1940, and Jan. 24, 1942. Payments principally from civil-service retirement and disability fund but also include payments from Canal Zone and Alaska Railroad retirement and disability funds administered by Civil Service Commission. Monthly retirement payments include accrued annuities to date of death paid to survivors. Refunds to employees leaving the service are not included but will be summarized twice a year in the *Bulletin*.

<sup>5</sup> Veterans' pensions and compensation.

<sup>6</sup> Widow's, widow's current, parent's, and child's benefits. Partly estimated.

<sup>7</sup> Payments to widows, parents, and children of deceased veterans.

<sup>8</sup> Number of decedents on whose account lump-sum payments were made, and amount of such payments.

<sup>9</sup> Payments for burial of deceased veterans.

<sup>10</sup> Number represents average weekly number of beneficiaries. Annual amounts adjusted for voided benefit checks; monthly amounts not adjusted. State unemployment insurance data for February and May 1946 partly estimated.

<sup>11</sup> Readjustment allowances to unemployed veterans only. Number before May 1946 represents average weekly number of veterans paid readjustment allowances during weeks ended in the month; number for May represents estimate based on number of weeks compensated. Amounts for May and June 1945 represent payments during weeks ended in the month; for July and subsequent months, payments are on calendar-month basis. Data for May 1946 partly estimated.

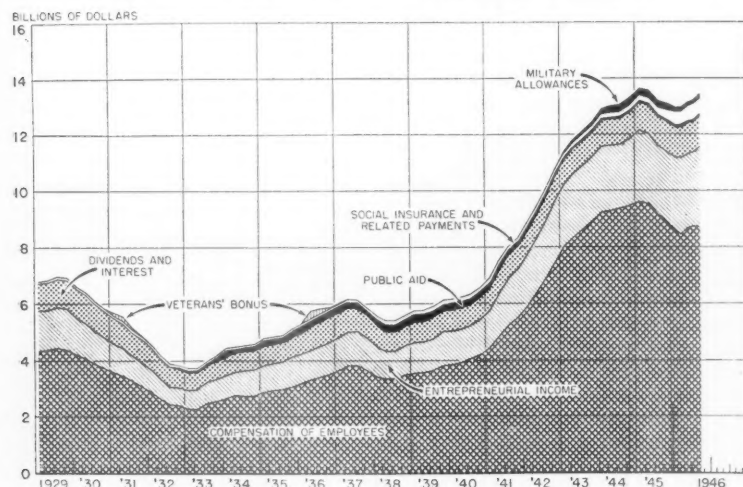
<sup>12</sup> Number represents average number of persons receiving benefits for unemployment in a 14-day registration period. Annual amounts adjusted for underpayments and recoveries of overpayments; monthly figures not adjusted.

<sup>13</sup> Number of veterans and amount paid during month under the Servicemen's Readjustment Act.

<sup>14</sup> Payments to individuals: annual and lump-sum payments (amounts certified, including retroactive payments) and monthly payments in current-payment status, under the Social Security Act; amounts certified under the Railroad Retirement Act (including retroactive payments) and the Railroad Unemployment Insurance Act; disbursements minus cancellations, under Civil Service Commission and Veterans Administration programs; checks issued by State agencies, under State unemployment insurance and Rhode Island sickness compensation programs and under the Servicemen's Readjustment Act.

<sup>15</sup> Preliminary estimate.

Source: Based on reports of administrative agencies.

Chart 1.—Income payments to individuals, January 1929–May 1946<sup>1</sup>

<sup>1</sup> Monthly average for each quarter for the period 1929–45; monthly data thereafter.

Source: Department of Commerce, Office of Business Economics.

about one-fourth of these former employees have died, and many others returned to work for the Government, retired a second time, and are already benefiting from the provisions of the 1942 amendments.

Some annuitants, however, were disqualified from reentering Government service because of physical disabilities or because they could not find suitable openings. The new legislation is designed to wipe out the discrimination against that group. The additional cost of the larger annuities, during the life expectancy of the annuitants, is estimated at about \$8.3 million.

#### Self-Employment Allowances Under the GI Bill\*

The Servicemen's Readjustment Act of 1944, popularly known as the GI Bill of Rights, provides for allowances to veterans of World War II who are unemployed and seeking a job, and to those veterans who establish their own businesses. Responsibility for the administration of the readjustment allowance program is vested in the Administrator of Veterans Affairs. The State unemployment compensation agencies cooperate by

taking claims from veterans and determining their eligibility for unemployment or self-employment allowances.

To be eligible for self-employment allowances, the veteran must be a resident of the United States, its Territories, or possessions at the time of filing a claim, must have been fully engaged in self-employment for a full calendar month, and must claim the allowance within a specified period after the end of a month of self-employment. Eligibility is also dependent on the length of military or naval service and a discharge other than dishonorable.

The monthly payment is \$100 less net earnings. Duration of the allowances ranges from 8 to 52 weeks, depending on length of active military or naval service. Five weeks are charged against the veteran's entitlement for each month in which he receives payment, regardless of the amount. Claims may be filed continuously or intermittently, according to the needs and eligibility of the veteran.

In determining the eligibility of a veteran for a readjustment allowance for self-employment, two questions usually present the principal problem. Was the veteran fully engaged for profit during the previous calendar month? Was his business or occupation in an independent status under the complete or joint direction of the

veteran? If the veteran is an employee of another person or corporation in the operation of the enterprise he is not eligible. If the enterprise requires only casual or part-time attention of the veteran or is not calculated to produce a profit, it does not meet the requirements for full-time self-employment. There are so many types of business or professional relationships that definite answers to these questions are not always immediately apparent.

The Readjustment Allowance Service of the Veterans Administration made a special study of the self-employment phase of the program in order to find out what types of businesses veterans enter when they are released from the armed forces. Payments to self-employed veterans from the beginning of the program through December 1945 were classified by industry for each State. The industry distributions were based on the Industrial Classification Code used by the Social Security Board.

The majority of the claims filed by self-employed veterans during the 14-month period were from farmers. Although these claims were heavily concentrated in rural States, farmers constituted the main group of self-employed veterans in several predominantly industrial States. In Illinois and Ohio, for example, more than half the claims paid through December 1945 fell in the agriculture, forestry, and fishing group, and in California, 4 out of 10 claims were in this category. For all States combined, 86 percent of the claims paid were in the agriculture, forestry, and fishing division (table 3).

The remaining 14 percent of the claims paid represented a range of nearly 250 different types of business enterprise. The list runs from simple hand trades and limited vending operations to specialized businesses in the fields of finance, science, and technology. Many of the businesses represented are of such nature as to require not only a high degree of specialized skill and experience, but a substantial amount of capital and equipment. Among these are radio and television operators, producers of industrial chemicals and scientific instruments, and operators of air transport facilities.

During the period covered by the

\*Summarized from special report of the Veterans Administration, *Readjustment Allowances for Self-Employed Veterans*, April 1946.



report, the number of veterans claiming self-employment allowances was small in comparison with the number claiming allowances for unemployment. During 1946, however, there has been a rapid rate of growth in the self-employment program. Consequently, the report points out, the expected volume of activity under the program may well justify further inquiry into such related factors as skills and experience of claimants, amount

and duration of self-employment allowances required in the readjustment process, and measures of success and failure of these individual enterprises.

Ratio (percent) of  
farmers to all  
self-employed veteran  
claimants in State

Number  
of States

Total.....	52
Less than 30.....	6
30-50.....	11
60-80.....	20
90 or more.....	15

## Trust Funds of the Federal Reserve and Tennessee Valley Authority Retirement Systems

Trust funds similar to those of the old-age and survivors insurance, railroad retirement, and civil-service retirement systems<sup>1</sup> have been set up as part of the financial provisions of other Federal and quasi-public retirement systems. Two of the largest are the trust funds of the Federal Reserve<sup>2</sup> and Tennessee Valley Authority retirement systems. At the end of the 1944-45 fiscal year,<sup>3</sup> these funds held total assets of \$61.6 million and \$11.5 million, respectively, substantially less than the assets of any of the three Government retirement systems mentioned above.

The income of these funds is derived from the contributions of covered workers and employers and from earnings on investments. In the case of the Federal Reserve retirement system, the Federal Reserve Banks and the Board of Governors make the employers' contributions; the TVA pays the employer's contribution for its retirement system. The Federal Reserve trust fund received \$7.3 million and the TVA trust fund \$2.5 million in combined employer and employee contributions in the 1944-45 fiscal year, and \$1.6 million and \$0.3 million, respectively, from earnings on investments (table 4). Amounts not required for current disbursements are invested by administrative officers of the systems; investments of the old-age and survivors insurance, railroad retirement, and civil-service retirement trust funds, on the other hand, are administered by the U. S. Treas-

Table 3.—Number and percentage distribution of paid claims for self-employed veterans, by industry division, for each State, November 1944–December 1945

State	Total		Percentage distribution <sup>1</sup>								
	Number	Per cent of total	Total	Agriculture, forestry, and fishing	Mining	Contract construction	Manufacturing	Transportation, communication, and other public utilities	Wholesale and retail trade	Finance, insurance, and real estate	Service
Total.....	32,924	100.0	100.0	85.5	0.2	1.1	1.4	1.0	3.7	0.8	6.3
Alabama.....	1,555	4.7	100.0	93.5	.1	.5	.3	.3	2.8	.1	2.4
Alaska.....	1	( <sup>2</sup> )	100.0								
Arizona.....	103	.3	100.0	38.0	6.8	2.9	8.7	3.9	15.5	2.0	22.2
Arkansas.....	3,308	10.0	100.0	92.8	0	.5	.5	1.2	2.1	.4	2.5
California.....	715	2.2	100.0	40.0	3.6	5.3	6.7	2.7	11.3	3.8	26.6
Colorado.....	212	.6	100.0	76.9	2.4	1.4	2.8	1.4	1.9	1.9	11.3
Connecticut.....	56	.3	100.0	17.7	0	8.3	6.3	1.0	27.1	11.5	28.1
Delaware.....	19	.1	100.0								
District of Columbia.....	23	.1	100.0								
Florida.....	890	2.7	100.0	82.0	0	1.8	1.8	.8	5.1	.7	7.8
Georgia.....	529	1.6	100.0	90.7	0	1.3	.9	.8	2.3	.2	3.8
Hawaii.....	3	( <sup>2</sup> )	100.0								
Idaho.....	95	.3	100.0	79.8	0	2.0	6.4	4.3	3.2	0	4.3
Illinois.....	296	.9	100.0	50.7	1.0	1.7	5.4	3.4	12.5	2.7	22.6
Indiana.....	318	1.0	100.0	73.3	0	2.2	2.8	3.1	5.7	2.5	10.4
Iowa.....	339	1.6	100.0	74.1	0	2.9	2.9	2.9	6.0	1.3	9.9
Kansas.....	702	2.1	100.0	87.0	.1	.6	.1	.6	6.7	.3	5.6
Kentucky.....	664	2.0	100.0	91.6	.4	.2	.5	.7	2.5	.2	3.9
Louisiana.....	2,165	6.6	100.0	93.3	0	.4	.9	.7	2.1	.3	2.3
Maine.....	55	.2	100.0	38.2	0	0	7.3	1.8	10.9	3.6	38.2
Maryland.....	39	.1	100.0								
Massachusetts.....	158	.5	100.0	17.7	0	7.0	10.8	1.3	27.2	3.2	32.8
Michigan.....	49	.1	100.0								
Minnesota.....	391	1.2	100.0	81.3	0	1.0	2.6	1.4	2.6	.5	10.6
Mississippi.....	3,392	10.3	100.0	98.2	0	.1	.1	.1	.4	.1	1.0
Missouri.....	1,733	5.3	100.0	85.2	.2	.9	1.6	2.0	3.4	1.0	5.7
Montana.....	515	1.6	100.0	86.8	1.7	1.2	.9	.8	2.9	0	5.7
Nebraska.....	297	.9	100.0	90.2	0	.3	.3	.3	3.0	.3	5.6
Nevada.....	2	( <sup>2</sup> )	100.0								
New Hampshire.....	68	.2	100.0	35.3	0	4.4	2.9	11.8	20.6	2.9	22.1
New Jersey.....	113	.3	100.0	19.5	0	7.0	5.3	3.5	19.5	5.3	39.9
New Mexico.....	208	.6	100.0	71.5	0	1.0	1.4	1.4	9.1	2.4	12.7
New York.....	843	2.6	100.0	15.5	0	1.7	9.0	3.4	22.2	3.4	44.8
North Carolina.....	426	1.3	100.0	89.2	0	1.6	2.1	.2	4.6	.7	1.6
North Dakota.....	281	.9	100.0	98.0	0	0	.4	0	.4	.4	.8
Ohio.....	159	.5	100.0	63.5	2.5	3.1	4.5	3.1	7.5	3.1	12.7
Oklahoma.....	1,561	4.7	100.0	91.7	.2	1.8	.3	0	2.4	.2	3.4
Oregon.....	304	.9	100.0	79.9	.3	2.6	3.3	.7	5.3	.7	7.2
Pennsylvania.....	161	.5	100.0	30.5	1.2	3.1	6.8	1.9	18.0	12.4	26.1
Puerto Rico.....	38	.1	100.0								
Rhode Island.....	16	( <sup>2</sup> )	100.0								
South Carolina.....	718	2.2	100.0	93.5	0	.1	1.3	0	3.2	0	1.9
South Dakota.....	331	1.0	100.0	95.5	0	.3	.3	.6	.6	.3	2.4
Tennessee.....	2,350	7.1	100.0	94.2	.1	.5	.5	.5	1.7	.3	2.2
Texas.....	5,690	17.3	100.0	93.9	0	1.0	.3	.3	1.7	.7	2.1
Utah.....	72	.2	100.0	65.3	1.4	1.4	5.6	0	8.3	2.8	15.2
Vermont.....	61	.2	100.0	42.7	0	5.0	1.6	6.5	11.5	3.3	29.4
Virginia.....	187	.6	100.0	79.5	0	0	2.1	1.6	5.8	1.1	9.9
Washington.....	137	.4	100.0	62.8	.7	2.2	3.0	.7	13.1	2.2	15.3
West Virginia.....	42	.1	100.0								
Wisconsin.....	245	.7	100.0	55.1	0	1.6	3.7	1.2	13.1	2.5	22.8
Wyoming.....	49	.1	100.0								

<sup>1</sup> Percentages not shown for States with fewer than 50 claims.

<sup>2</sup> Less than 0.05 percent.

Source: Veterans Administration, *Readjustment Allowances for Self-Employed Veterans*, April 1946.

<sup>1</sup> For discussion of investments and earnings of these and other Government trust funds see the *Bulletin*, March 1946, pp. 47-54, and May 1946, pp. 43-53.

<sup>2</sup> There are two retirement plans in the Federal Reserve System; one (established in 1934) for employees of the Federal Reserve Banks and one (established in 1944) for the employees of the Board of Governors. The funds of the two plans, however, are combined into one trust fund and invested as a single unit. For a general discussion of the retirement funds see the *Bulletin*, January 1942, pp. 25-31.

<sup>3</sup> The fiscal year for the Federal Reserve retirement system is from March 1 to the end of February, and for the TVA retirement system from July 1 to June 30.

Table 4.—*Income of the Federal Reserve and Tennessee Valley Authority retirement trust funds, by source, fiscal years ended in 1935, 1940, and 1945*

[In thousands]

Source of income	1935	1940	1945
<b>Federal Reserve retirement system:</b>			
Total contributions.....	\$3,104	\$2,360	\$7,268
Employing banks and Board of Governors.....	1,811	1,106	4,479
Covered workers.....	1,293	1,254	2,789
Total earnings on investments.....	46	982	1,583
Interest and dividends.....	45	663	1,439
Profits on securities sold or redeemed.....	1	319	144
<b>Tennessee Valley Authority retirement system:</b>			
Total contributions.....		810	2,498
Tennessee Valley Authority.....		292	1,341
Covered workers.....		518	1,157
Total earnings on investments.....		3	280
Interest and dividends.....		3	273
Profits on securities sold or redeemed.....			7

<sup>1</sup> Includes special contributions to increase retirement allowances.

<sup>2</sup> Includes contributions for employees in military service.

Source: Annual reports of the retirement system of the Federal Reserve banks, fiscal years ended Feb. 28, 1935, 1940, and 1945, and retirement system of the Tennessee Valley Authority, fiscal years ended 1940 and 1945.

ury Department. The investments of the retirement trust funds of both the TVA and the Federal Reserve System are purchased in the open market. The rate of earnings on their total invested assets is higher than the rates on either of the social security trust funds but is lower than those on most of the smaller retirement and related funds invested by the Treasury.

### Federal Reserve

The trust fund of the Federal Reserve retirement system has grown steadily since its beginning in 1934; from total investments of \$2.3 million in 1935 and \$27.7 million in 1940 it increased to \$59.9 million at the end of February 1945. The investments are administered by an investment committee under the supervision of the executive committee of the board of trustees of the retirement system. The United States Trust Company of New York City and the Northern Trust Company of Chicago execute the orders of the investment committee. The rules and regulations governing investments provide that "all investments of the funds of the system shall be made on a sound, conservative, and secure basis, and shall be in securities of classes which shall have been prescribed by the Board of Trustees and within such limitations as to amounts of particular classes of securities or of securities issued by any one obligor as shall have been prescribed by the Board of Trustees. In no event shall the

funds of the System be invested in securities other than those in which the funds of life insurance companies doing business in the States of Massachusetts, Connecticut, or New York may be invested under the laws of such States respectively."

At the time the retirement system was set up, it was expected that 4 percent would be earned on invested funds, and a 4-percent interest rate was used in the actuarial valuation of assets and liabilities. The regular interest rate to be paid on employee contributions was also set at 4 percent, compounded annually, but the rules and regulations provided that the board of trustees could change the rates. At the end of each year of operation the board determines the rate of actual earnings on the investments of the retirement system, and if the average yield is more than the

regular rate of interest no change is made in the rate. If, however, the board of trustees decides that the regular rate of interest is too high, the board may adjust the rate to such lower percent as it considers fair and equitable to the employees, employing banks, and the Board of Governors. Interest rates on eligible securities have declined steadily since 1934, and the average rate of return on investments of the fund has followed the decline.

Though the average yield on investments has not been as much as 4 percent during the period of the fund's operation, in the first few years the deficit was fully offset by better actuarial experience than had been expected. The yield on average investments ranged from 3.5 percent in 1935 to 2.4 percent in 1942 and 2.5 percent in 1945. As the fund grew, however, the problem of offsetting the deficit became more difficult, and on March 1, 1943, the regular rate of interest on employee contributions was lowered to 3 percent, compounded annually. The actuarial valuation for 1943 and subsequent years has been on a 3-percent basis. The investment yield for the past few years has been less than 3 percent, however.

Changes in the investment portfolio of the trust fund and the trends in interest rates on high-grade securities are responsible for changes in the rate of earnings of the fund. At the end of February 1935, U. S. Government securities made up 44 percent of all investments; public utility bonds, 26 percent; railroad bonds, 22 percent; State bonds, 5 percent; and

Table 5.—*Total investments of the Federal Reserve and Tennessee Valley Authority retirement trust funds, fiscal years ended in 1935, 1940, and 1945*

[In thousands]

Type of investment	1935	1940	1945
<b>Federal Reserve retirement system:</b>			
Total investments: <sup>1</sup> .....	\$2,262	\$27,667	\$59,933
U. S. Government bonds.....	991	17,345	50,690
Public utility bonds.....	578	5,103	4,263
Railroad bonds.....	505	3,130	1,315
Industrial bonds.....	80	1,775	1,796
State bonds.....	108		
Foreign government securities.....		250	700
Real estate mortgages.....		64	62
Preferred stock.....			1,107
<b>Tennessee Valley Authority retirement system:</b>			
Total investments: <sup>1</sup> .....		642	10,411
U. S. Government bonds.....		185	5,690
Public utility bonds.....		200	2,050
Railroad bonds.....		67	1,155
Industrial bonds.....		90	194
Preferred stock.....		100	1,322

<sup>1</sup> Par value.

Table 6.—Contributions and taxes under selected social insurance and related programs, by specified period, 1943-46

[In thousands]

Period	Retirement, disability, and survivors insurance			Unemployment insurance		
	Federal insurance contributions <sup>1</sup>	Federal civil-service contributions <sup>2</sup>	Taxes on carriers and their employees	State unemployment contributions <sup>3</sup>	Federal unemployment taxes <sup>4</sup>	Railroad unemployment insurance contributions
Fiscal year:						
1943-44	\$1,292,122	\$445,951	\$267,065	\$1,353,272	\$179,909	\$121,518
1944-45	1,309,919	486,719	285,038	1,251,958	184,544	131,993
11 months ended:						
May 1944	1,287,015	422,326	202,188	1,333,235	178,821	86,686
May 1945	1,305,328	464,915	224,997	1,246,872	182,970	101,980
May 1946	1,231,584	505,174	217,371	1,003,262	178,490	98,504
1945						
May	315,615	24,808	8,587	167,886	12,337	2,215
June	4,591	21,803	60,041	5,085	1,575	30,013
July	61,501	271,976	1,478	173,103	2,998	50
August	285,803	25,236	8,299	150,319	12,068	1,369
September	4,731	27,267	59,397	5,870	1,768	31,401
October	54,434	23,859	1,468	122,910	2,551	54
November	237,766	24,881	8,479	109,116	10,281	845
December	6,916	21,664	58,525	7,672	770	31,882
1946						
January	32,819	23,692	5,061	96,509	13,292	76
February	199,548	21,662	3,461	95,148	106,998	856
March	18,367	21,198	64,561	3,606	13,576	31,083
April	60,752	21,690	1,349	106,107	3,014	54
May	298,945	22,049	5,293	135,903	11,174	834

<sup>1</sup> Represents contributions of employees and employers in employments covered by old-age and survivors insurance.

<sup>2</sup> Represents employee and Government contributions to the civil-service, Canal Zone, and Alaska Railroad retirement and disability funds; in recent years Government contributions are made in July for the entire fiscal year.

<sup>3</sup> Represents contributions plus penalties and interest collected from employers and contributions from employees in 4 States, deposited in State clearing accounts. Data reported by State agencies, corrected to June 24, 1946.

<sup>4</sup> Represents taxes paid by employers under the Federal Unemployment Tax Act.

<sup>5</sup> Represents July contributions of \$24.4 million from employees, and contributions for fiscal year 1945-46 of \$246.4 million from the Federal Government and of \$1.2 million from the District of Columbia for certain District Government employees.

Source: Daily Statement of U. S. Treasury, unless otherwise noted.

industrial bonds the remainder (table 5). The U. S. Government securities, with the lowest yield of all the securities, consisted of Federal Farm Mortgage Corporation 3-percent bonds, U. S. Treasury bonds with interest rates of 3¼, 3½, and 3¾ percent, and Home Owners' Loan Corporation 2¾-percent bonds. Interest rates on public utility bonds were 4-5 percent—almost half of them at the higher rate. The range on railroad bonds was 3½-5 percent, with the majority at 4 percent.

At the end of February 1940, 63 percent of the total investments was U. S. Government securities and only 18 percent and 11 percent, respectively, were public utility bonds and railroad bonds; 6 percent was in industrial bonds, and 1 percent in foreign government securities. The fund also held a small number of real estate mortgage bonds but no State bonds. Cumulative preferred stock and real estate secured obligations were acquired for the first time in

1941 and were still held by the fund at the end of February 1945. Most of the new investments by 1945 were in U. S. Government bonds, however, which comprised 85 percent of the total; only 7 percent was in public utility bonds. Industrial bonds made up 3 percent of total investments; cumulative preferred stocks, 1.8 percent; railroad bonds, 2.2 percent; foreign government bonds, 1.2 percent; and real estate mortgage bonds, 0.1 percent.

The rate of return on these investments has affected contribution rates to the fund as well as the aggregate earnings on the investments of the fund. The Federal Reserve retirement system's two benefit plans have necessitated separate contribution rate schedules. Each employee covered under the Federal Reserve Bank plan contributes toward his retirement benefits an amount which is computed on the average to be approximately sufficient to provide an annuity at age 65 equal to three-

fourths of 1 percent of his average salary for each year of service. Contributions vary for men and women and with the age of each employee at the time of his entrance into bank employment; contributions from men range from 5.4 percent of earnings for employees entering the system at age 18 to 10.17 percent for those entering at age 64. The corresponding range for women is 5.53 percent to 11.18 percent of earnings. These rates of contribution were established March 1, 1943, however, and were computed on the basis of 3-percent interest return. Before that date, rates were assessed on a 4-percent interest basis and ranged from 3.77 percent at age 18 to 9.09 percent at age 64 for men, and 3.72 percent to 9.94 percent for women. Employees who were members before March 1943 were given the choice of continuing to pay the old contribution rate, in which case their annuities might be smaller than originally expected, or of increasing their contribution rates to those established in March 1943. Members may also make additional lump-sum or regular percentage contributions to the retirement system to increase their annuity at retirement.

Employees covered under the Board of Governors' plan contribute 5 percent of earnings, a contribution equivalent to that under the Federal civil-service retirement plan. There are no rate differentials for age or for sex under this plan.

The Federal Reserve Banks and Board of Governors of the Federal Reserve System pay the remaining costs of their respective retirement plans. The contributions of the Federal Reserve Banks and Board of Governors consist of normal contributions, actuarially determined as a percentage of their pay roll, and a contribution for employees in military service. Contribution rates for each of the banks vary, depending on age and sex of their employees and annuity experience. The average rate of normal contribution for the Federal Reserve System varied from 5.02 to 5.08 percent until March 1, 1937, reached 5.13 percent by March 1, 1938, and remained at that rate until March 1, 1943. The rate was increased to 6.42 percent for the fiscal year 1944 and to 9.37 percent for the

fiscal year 1945. From 1935 through 1938 the Federal Reserve Banks and Board of Governors of the Federal Reserve System contributed amounts in addition to their normal contributions to finance liabilities accumulated on employment prior to the establishment of the retirement system. This prior-service contribution averaged 3.77 percent in 1935—a rate intended to liquidate the prior-service liability over a 20-year period. In 1936 a new plan was adopted, retroactive to January 1, 1945, to liquidate the prior-service obligation in a 5-year period. The total prior-service contributions in fiscal years ended February 28 were as follows: 1935, \$0.8 million; 1936, \$2.4 million; 1937, \$2.2 million; 1938, \$2.2 million; and 1939, \$4.1 million. The entire liability was liquidated by payment of the last installment in December 1938. The total aggregate employer contributions for 1935, 1940, and 1945 are shown in table 4.

### Tennessee Valley Authority

The investment operations of the retirement system of the TVA are similar to those of the Federal Reserve retirement system. Total security holdings increased from \$642,300 at the end of June 1940 to \$10.4 million at the close of the fiscal year 1945.

The responsibility for the investment of the funds is in the hands of the trustee, the City Bank Farmers Trust Company of New York, designated by the board of directors of the retirement system and approved by the Board of Directors of the Authority, under a special agreement and declaration of trust covering the funds. The trust is considered domiciled in New York and is subject to the laws of that State. The trust agreement provides that investments may be made only in securities and property eligible for investment by life insurance companies under the laws of the State of New York and in such other classes of property as may be recommended by the trustee and approved by the board of directors, without regard to whether or not such classes of property are authorized trust fund investments under New York laws.

The investment portfolio of this trust fund has contained more stock than that of the Federal Reserve re-

Table 7.—Federal appropriations and expenditures under programs<sup>1</sup> administered by the Social Security Board, by specified period, 1944-46

[In thousands]

Item	Fiscal year 1944-45		Fiscal year 1945-46	
	Appropriations <sup>2</sup>	Expenditures through May <sup>3</sup>	Appropriations <sup>2</sup>	Expenditures through May <sup>3</sup>
Total.....	\$709,659	\$648,322	\$824,006	\$792,828
Administrative expenses.....	25,611	28,784	24,964	35,032
Federal Security Agency, Social Security Board <sup>4</sup> .....	25,446	21,954	24,819	26,724
Department of Commerce, Bureau of the Census.....	165	102	145	105
Department of the Treasury <sup>5</sup> .....	(9)	6,728	(9)	8,203
Grants to States.....	444,214	402,058	498,042	468,498
Old-age assistance.....	409,800	311,480	441,000	351,282
Aid to dependent children.....		49,415		57,800
Aid to the blind.....		9,655		10,111
Unemployment compensation administration.....	734,414	31,508	57,042	49,305
Benefit payments, old-age and survivors insurance.....	239,834	217,480	301,000	289,298

<sup>1</sup> Excludes war emergency programs.

<sup>2</sup> Excludes unexpended balance of appropriations for preceding fiscal year. Includes for 1945-46 additional appropriations provided in First Deficiency Appropriation Act, 1946, approved Dec. 28, 1945, and in Second Urgent Deficiency Appropriation Act, 1946, approved Mar. 28, 1946.

<sup>3</sup> Based on checks cashed and returned to Treasury. Includes expenditures from unexpended balance of appropriations for preceding fiscal year.

<sup>4</sup> Represents appropriations and expenditures for salaries and some miscellaneous items; excludes other miscellaneous expenditures of the Board made from Federal Security Agency appropriations. Includes amounts expended by the Board in administering old-age and survivors insurance, reimbursed from old-age and survivors insurance trust fund to general fund of Treasury.

<sup>5</sup> Represents amounts expended by Treasury in administering title II of the Social Security Act and the Federal Insurance Contributions Act, reimbursed from old-age and survivors insurance trust fund to general fund of Treasury.

<sup>6</sup> Not available because not separated from appropriations for other purposes.

<sup>7</sup> Includes \$4,417,892 transferred from War Manpower Commission as reimbursement for expenditures for employment office facilities and services.

<sup>8</sup> Represents actual payments during 1944-45 from old-age and survivors insurance trust fund.

<sup>9</sup> Represents estimated expenditures as shown in 1945-46 budget.

Source: Federal appropriation acts and 1945-46 budget (appropriations); *Daily Statement of the U. S. Treasury* (expenditures).

tirement system, although it too has held increasingly larger proportions of Government bonds (table 5). At the end of June 1940, total investments amounted to \$723,473 at book value and \$642,300 at par. Government bonds made up 29 percent of total par value; public utility bonds, 31 percent; industrial bonds, 14 percent; and railroad bonds, 10 percent. The remaining 16 percent consisted of shares of cumulative preferred stock—11 percent in industrials and 5 percent in public utilities. The Government bonds consisted exclusively of U. S. Treasury bonds with interest rates on par value varying from 2 to 3 percent. The public utility bonds bore interest of 3 1/4 and 3 1/2 percent, and the railroad bonds, from 3 1/2 to 4 1/2 percent.

By the end of the fiscal year 1945 the proportions of different classes of investments had changed substantially. Of the \$10.4 million in total investments, 55 percent were U. S. Government bonds, most of them U. S. Treasury bonds bearing 2 to 2 1/2-percent interest. The fund also possessed a few U. S. savings bonds and war savings

bonds, with average yields of 2 1/2 percent. Utility bonds and railroad bonds had dropped to 20 percent and 11 percent of the total, and less than 2 percent was in industrial bonds. Industrial preferred stock made up 8.7 percent of total investments, 3.8 percent consisted of utility preferred stock, and 0.2 percent of railroad preferred stock. Yield on these securities is the highest of all investments held by the fund.

All interest and dividends, as well as profits earned on the investments, are credited to the fund. Interest is paid on contributions of employees covered under the system at a 4-percent rate. The interest rate used in all actuarial and other calculations is also set at 4 percent, compounded annually, "except that if the rate of interest earned on the investments shall be less than 4 per centum, and a lower rate appears to the Board of Directors to be more desirable and appropriate for use, a lower rate may be set from time to time by resolution of the Board." Thus far the rate of return on investments has been



considerably less than the 4-percent rate on which all actuarial calculations of the system are based; the

average yield ranged from 2.71 percent in 1941 to 2.69 percent in 1945. No change has been made in the reg-

ular rate of interest paid on contributions, however, since other favorable actuarial experiences of the system

Table 8.—Status of the unemployment trust fund, by specified period, 1936-46

[In thousands]

Period	Total assets at end of period	Net total of U. S. Government securities acquired <sup>1</sup>	Unexpended balance at end of period	State accounts				Railroad unemployment insurance account <sup>2</sup>			
				Deposits	Interest credited	Withdrawals <sup>3</sup>	Balance at end of period	Deposits	Interest credited	Benefit payments	Balance at end of period <sup>4</sup>
Cumulative, January 1936-May 1946	\$7,439,485	\$7,383,184	\$56,302	\$9,540,324	\$537,040	\$3,366,525	\$6,710,993	\$591,126	\$40,895	\$57,721	\$728,492
Fiscal year:											
1943-44	5,878,778	1,503,000	8,778	1,349,307	88,526	60,000	5,380,403	109,375	8,001	591	498,375
1944-45	7,315,258	1,437,173	8,084	1,256,003	113,140	70,492	6,679,108	118,794	10,502	785	636,150
11 months ended:											
May 1944	5,780,782	1,407,000	6,782	1,328,876	41,101	54,536	5,318,010	78,026	3,722	566	462,772
May 1945	7,226,959	1,349,000	7,959	1,248,741	55,960	62,196	6,622,932	91,906	5,171	689	604,026
May 1946	7,439,485	76,010	56,302	999,979	69,557	1,037,754	6,710,993	88,654	6,847	13,102	728,492
1945											
May	7,226,959	283,000	7,959	276,077		7,280	6,622,933	2,117		65	604,026
June	7,315,258	88,173	8,084	7,261	57,180	8,296	6,679,109	26,888	5,330	96	636,148
July	7,372,826	35,000	30,653	62,778		14,932	6,726,955	45		41	645,870
August	7,610,303	251,000	17,219	257,968		21,593	6,963,330	1,232		41	647,061
September	7,596,118	-20,000	22,944	8,750	3,494	55,040	6,920,534	28,261	327	100	675,582
October	7,531,594	-90,000	48,420	42,316	437	107,224	6,856,064	49	41	216	675,528
November	7,606,978	65,000	58,804	183,097	141	108,283	6,931,019	760	13	388	675,957
December	7,537,391	-39,990	29,208	8,803	4,341	111,228	6,832,935	28,694	412	608	704,455
1946											
January	7,497,917	-50,000	39,733	32,898	57,042	134,146	6,788,831	67	5,644	1,081	709,086
February	7,518,918		60,735	157,391	15	135,621	6,810,616	782	1	1,567	708,302
March	7,425,962	-80,000	47,779	7,780	3,705	130,100	6,692,001	27,964	368	2,673	733,961
April	7,352,437	-80,000	54,253	39,431	383	110,207	6,621,608	49	40	3,268	730,829
May	7,439,485	85,000	56,302	198,765		109,380	6,710,993	751		3,119	728,492

<sup>1</sup> Includes accrued interest; minus figures represent net total of securities redeemed.

<sup>2</sup> Includes transfers from State accounts to railroad unemployment insurance account amounting to \$106,668,000.

<sup>3</sup> Includes transfers from railroad unemployment insurance administration fund amounting to \$47,649,000.

Source: Daily Statement of the U. S. Treasury.

Table 9.—Status of the old-age and survivors insurance trust fund, by specified period, 1937-46

[In thousands]

Period	Receipts		Expenditures		Assets			
	Transfers and appropriations to trust fund <sup>1</sup>	Interest received <sup>2</sup>	Benefit payments <sup>3</sup>	Reimbursement for administrative expenses <sup>4</sup>	Net total of U. S. Government securities acquired <sup>5</sup>	Cash with disbursing officer at end of period	Credit of fund account at end of period	Total assets at end of period
Cumulative, January 1937-May 1946	\$8,252,881	\$569,864	\$1,072,784	\$186,518	\$7,219,424	\$48,037	\$295,982	\$7,563,443
Fiscal year:								
1934-44	1,292,122	103,177	184,597	32,607	1,172,036	21,384	16,136	5,446,391
1944-45	1,309,919	123,854	239,834	26,950	1,137,411	35,092	32,007	6,613,381
11 months ended:								
May 1944	1,287,015	3,349	167,426	29,183	775,036	22,838	327,343	5,362,051
May 1945	1,305,328	18,859	217,480	24,580	744,964	33,569	341,115	6,528,518
May 1946	1,231,584	41,351	289,298	33,574	673,143	48,037	295,982	7,563,443
1945								
May	315,615		22,848	2,370		33,569	341,115	6,528,518
June	4,591	104,995	22,554	2,370	392,447	35,092	32,007	6,613,381
July	61,501		23,139	2,476		35,938	67,048	6,649,267
August	285,803		22,888	2,476		39,021	325,404	6,909,706
September	4,731	9,242	23,497	2,476	273,000	39,071	39,351	6,897,706
October	54,434		25,365	2,838		38,682	65,974	6,923,938
November	237,766	99	24,082	2,838	-15,000	42,582	288,020	7,134,883
December	6,916	7,371	25,678	2,838	250,490	44,870	21,362	7,120,655
1946								
January	32,819	15,371	27,953	3,309	-10,347	44,884	48,275	7,137,583
February	199,548		27,707	3,309		46,153	215,538	7,306,114
March	18,367	9,242	28,589	3,309	180,000	46,509	30,893	7,301,825
April	60,752	26	29,545	3,853	-5,000	47,925	61,837	7,329,206
May	268,945		30,855	3,853		48,038	295,982	7,563,443

<sup>1</sup> Beginning July 1940, trust fund appropriations equal taxes collected under the Federal Insurance Contributions Act.

<sup>2</sup> Interest on investments held is credited annually in June; on investments redeemed, in month of redemption.

<sup>3</sup> Based on checks cashed and returned to Treasury.

<sup>4</sup> Figure for fiscal year 1944-45 includes bookkeeping adjustments for expendi-

tures for fiscal years 1941-42, 1942-43, and 1943-44; annual figures in table do not, therefore, reflect actual outlays.

<sup>5</sup> Includes accrued interest; minus figures represent net total of securities redeemed.

Source: Daily Statement of the U. S. Treasury.

have offset the relatively low earnings.

Employees of the TVA contribute to the retirement system at a rate sufficient to finance half of their retirement allowance. The contribution is a certain proportion of the employee's pay—depending on his age when entering TVA employment, his sex, and the length of his prior service. The rates range from 4.28 percent at age 17 to 7.87 percent at age 59 for men, and 4.80 percent to 8.81 percent for women. Members of this

retirement system may also make an additional regular percentage or a lump-sum contribution for the purpose of providing an additional annuity.

The TVA, as employer, pays a normal contribution and an accrued liability contribution to cover the cost of benefits on account of service rendered before the establishment of the system. The rates of contributions for this system for the fiscal year 1945 were 4.02 and 1.17 percent, respectively.

## Recent Publications in the Field of Social Security\*

### General

**COUNCIL OF STATE GOVERNMENTS.** *Social Security Revision.* Chicago: The Council, 1946. 32 pp. Processed. \$1.

Summarizes the recommendations for broadening and strengthening the social security program contained in the *Tenth Annual Report* of the Social Security Board and in the report of the Social Security Technical Staff of the House Ways and Means Committee.

**KANIEVSKY, I.** *Social Insurance in Palestine and Its Reconstruction.* Tel Aviv: The Social Insurance Committee, General Federation of Jewish Labour in Palestine, 1946. 85 pp.

Surveys Palestine's social insurance system which consists mainly of social services introduced by the General Federation of Jewish Labour and based on the principle of mutual aid. These services include health and unemployment assistance, assistance to widows and orphans, and old-age pensions. The report makes recommendations for a system of Government social insurance.

**MARCUS, GRACE F.** "Social Security: The Present Challenge." *The Councillor*, Baltimore, Vol. 11, Mar. 1946, pp. 17-24.

\*The inclusion of prices of publications in this list is intended as a service to the reader, but any orders must be directed to publishers or booksellers and not to the Social Security Board or the Federal Security Agency. Federal publications for which prices are listed should be ordered from the Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C.

Considers basic philosophy and present limitations.

**MERIAM, LEWIS.** *Relief and Social Security.* Washington: The Brookings Institution, 1946. 912 pp. Processed.

Part I deals with current programs for relief and social security, including the railroad retirement and unemployment systems, the national civil-service retirement system, and some of the emergency relief programs of the 1930's. Part II describes the proposed British plans and the New Zealand system. Part III considers the major issues which determine future policy: social considerations, cost, and administrative problems. Recommends the establishment of a national, comprehensive, coordinated system of social security available on the basis of a needs test and financed from current income derived from a flat-rate income tax rather than employer pay-roll taxes.

**MEXICO. INSTITUTO MEXICANO DEL SEGURO SOCIAL.** *Memoria y Plan de Labores.* Mexico City (?): The Institute, 1946. 74 pp.

Report on the cash and medical benefits provided in 1945 under the Mexican social insurance law, which is effective in the Federal District, Puebla, and Monterrey.

**MUNTZ, EARL E.** *Proposals for Health, Old-Age and Unemployment Insurance. A Comparison of the 1943 and 1945 Wagner-Murray Bills.* New York, Washington: American Enterprise Association, 1946. 87 pp. (National Economic Problems No. 418.) 50 cents.

A detailed, comparative analysis of the two bills which includes an outline of the provisions of the bills and of the Social Security Act.

"National Insurance in Committee." *Economist*, London, Vol. 150, Apr. 27, 1945, pp. 661-662. 1s.

Comments on changes made in the bill by the standing committee.

**POLLACK, JACK H.** "Wanted: A U. S. Department of Welfare." *Coronet*, Chicago, Vol. 20, May 1946, pp. 3-8. 25 cents.

Believes that only through the creation of a Federal Department of Education, Health, and Welfare can the Government effectively care for the people.

**POWELL, OSCAR M.** *Ten Years of Social Security Administration.* Washington: Social Security Board, 1946. 12 pp. Processed.

A speech before the Southwestern Regional Conference of the American Public Welfare Association, at Amarillo, Texas, on April 19, 1946, which outlines the current operation of the program and recommended changes, with special reference to the Southwestern States.

**SCHMIDT, EMERSON P.** "Cradle to the Grave in Great Britain." *American Economic Security* (Chamber of Commerce of the U. S. A.), Vol. 3, Apr. 1946, pp. 3-9. \$1 a year.

A summary of the British national insurance plan which questions the high cost of the proposed system.

**SCHULTZ, THEODORE W.** *Agriculture in an Unstable Economy.* New York: McGraw-Hill, 1945. 299 pp. (Committee for Economic Development, Research Committee. Research Studies Series B, No. 2.) \$2.75.

Discusses the maladjustment of agriculture in the national economy, and the problems within the agricultural industry, particularly overcrowded and unproductive employment and instability of income.

"Social Insurance Section." *The Record* (American Institute of Actuaries), Chicago, Vol. 34, Part 2, No. 70, Nov. 1945, pp. 333-347.

Informal discussion of proposals for financing and extending old-age and survivors insurance and for health and medical care insurance by Rainard B. Robbins, W. R. Williamson, Harry Mehlman, Bruce R. Power, James Hunter, and Albert Pike, Jr.

"Social Security Reform in France." *International Labour Review*, Montreal, Vol. 53, Jan.-Feb. 1946, pp. 106-112. 50 cents.

**STIGLER, GEORGE J.** *Domestic Servants in the United States, 1900-1940.* New York: National Bureau of Economic Research, 1946. 44 pp. (Occasional Paper No. 24.) 50 cents.

Information on the number, distribution, and wages and hours of servants, and the factors affecting their income, such as the changing characteristics of families, technological changes in household operations, family income, and wages in competing employments.

STINEBOWER, LEROY D. *The Economic and Social Council*. New York: Commission to Study the Organization of Peace, 1946. 39 pp. 10 cents.

Describes the structure, functions, and purposes of the Council and its place in the United Nations machinery.

U. S. DEPARTMENT OF AGRICULTURE. BUREAU OF AGRICULTURAL ECONOMICS. *Wages and Wage Rates of Hired Farm Workers, United States and Major Regions, 1945*. Washington: The Bureau, 1946. 59 pp. Processed. (Survey of Wages and Wage Rates in Agriculture, Report No. 7.)

VANCE, ROBERT B., and DANILEVSKY, NADIA. *All These People: The Nation's Human Resources in the South*. Chapel Hill: University of North Carolina Press, 1945. 503 pp. A study of population, industry, health, and general social and economic conditions in the South.

### Old-Age and Survivors Insurance

McKAY, EVELYN. "Social Insurance for the Blind." *Outlook for the Blind*. New York, Vol. 40, May 1946, pp. 125-127. 25 cents.

Proposes that title II of the Social Security Act be amended to allow anyone in covered employment who becomes blind to receive his retirement benefits immediately.

MICHIGAN MUNICIPAL LEAGUE. *Explanation of the Michigan Municipal Employees' Retirement Act (Act No. 135 P. A. 1945) for Employees of Counties, Cities, Villages and Townships*. Ann Arbor: Michigan Municipal League; Lansing: Michigan Institute of Local Government, 1945. 16 pp. (Informational Bulletin No. 48.)

"Modern Old Age." *Survey Mid-monthly*, New York, Vol. 82, Apr. 1946, pp. 105-114. 30 cents.

A special feature section discussing employment, health, and recreation for older persons and citing examples of community programs.

MUNTZ, EARL E. "The Farmer and Social Security." *Social Forces*, Baltimore, Vol. 24, Mar. 1946, pp. 283-290. \$1.

Analyzes the tax burden entailed in

extending social insurance to farmers and questions whether the social and economic advantages promised would be in proportion to the cost.

"Retirement Benefits: Monthly Amounts in Force on December 31, 1945." *Monthly Review* (Railroad Retirement Board), Chicago, Vol. 7, June 1946, pp. 90-92. Processed.

### Employment Security

CONFERENCE WORKSHOP OF ORGANIZED LABOR ON EMPLOYMENT SECURITY. *Labor Looks at Unemployment Insurance*. Chicago: University of Chicago Press, 1946. 40 pp. \$1.

A report, based on a conference of labor representatives and Federal and State unemployment compensation administrators, which "contains a nontechnical discussion of the main features of our present unemployment insurance system, the principal weaknesses of the system from the standpoint of labor, and some thoroughgoing recommendations for improvement."

GREAT BRITAIN. EXCHEQUER AND AUDIT DEPARTMENT. *Unemployment Fund Accounts 1944*. London: H. M. Stationery Office, 1946. 8 pp. 2d.

Receipts and payments for the year ended March 31, 1945.

*The Labor Market*, a monthly survey of employment trends published by the U. S. Department of Labor, U. S. Employment Service, has been placed on sale by the Superintendent of Documents. The subscription price is \$1 a year, and subscriptions should be sent directly to the Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C.

"Labor Market Information for a Better Employment Service." *Employment Service Review*, Washington, Vol. 13, May 1946, pp. 3-20 ff. 10 cents.

A series of articles describing the sources and uses of labor-market information.

"A Lower Pay-Roll Tax? Overflowing Jobless Funds." *United States News*, Washington, Vol. 20, May 31, 1946, p. 32. 15 cents.

Comments on the recommendations of the Social Security Board that the Federal unemployment tax rate be cut from 3 to 2 percent.

MASSACHUSETTS. DIVISION OF EMPLOYMENT SECURITY. *Analysis of Benefit Experience and Characteristics of Individuals Filing Claims in the Benefit Years 1940-41, 1941-42, 1942-43, and 1943-44*. Boston: Di-

vision of Employment Security, 1945. 22 pp. Processed.

OHIO. BUREAU OF UNEMPLOYMENT COMPENSATION and UNITED STATES EMPLOYMENT SERVICE IN OHIO. *Post-War Employment Survey*. Cleveland: 1946. Various paging. Processed.

"Employer estimates of covered employment in Ohio by county and by individual group, January 15, 1946, and April 15, 1946."

PIERSON, JOHN H. G. *Full Employment in Practice*. New York: Institute on Postwar Reconstruction, New York University, 1946. 26 pp. 25 cents.

Advocates Government adjustment of its revenues and expenditures to prevent private demand from falling short. Considers the general implications of this approach to full employment and then the operational problems and executive recommendations, legislation, administration, and statistical information demanded by such a program.

ROBERTS, B. W. "State Unemployment Insurance Taxes—A Controllable Element of Cost." *N. A. C. A. Bulletin*, New York, Vol. 27, June 1, 1946, pp. 966-978. \$10 a year.

Reviews the main types of experience-rating plans to show the extent of the savings from reduced rates.

SHARTLE, CARROLL L. *Occupational Information: Its Development and Application*. New York: Prentice-Hall, Inc., 1946. 339 pp. \$4.65.

"An introduction to the development of occupational information and a description of the uses of such information in problems in industry, government, education, and community agencies."

### Public Welfare and Relief

DRAKE, RUSSELL. "The Use of Consultants in a State Agency." *Public Welfare*, Chicago, Vol. 4, Apr. 1946, pp. 88-90. 50 cents.

FALKENBURG, RUTH. "Indian Welfare: The Navaho." *Public Welfare*, Chicago, Vol. 4, Apr. 1946, pp. 83-87. 50 cents.

Describes economic and social conditions among the Navaho Indians.

HOWARD, LOA. "State Organization of Child Welfare Services in Oregon." *Public Welfare*, Chicago, Vol. 4, Apr. 1946, pp. 74-79. 50 cents.

ROSS, EDITH G. "Integration of Public Assistance and Children's Services." *Public Welfare*, Chicago, Vol. 4, May 1946, pp. 98-102. 50 cents.

Administration and staff structure and training in the division of local welfare services in the Louisiana Department of Public Welfare, which has responsibility for all public assistance and service programs for families and children.

### Health and Medical Care

"Bill of Health." *Economist*, London, Vol. 150, Mar. 30, 1946, pp. 483-484. 1s.

Comments on the British national health service bill.

"British Medical Association and the National Health Service Bill." *British Medical Journal Supplement*, London, No. 4453, May 11, 1946, pp. 119-135. 1s. 6d.

Discussion and texts of the principal resolutions adopted at the special representative meeting of the British Medical Association to consider the National Health Service Bill. This issue also carries a report (pp. 135-140) on the special conference of representatives of Local Medical and Panel Committees to consider the report of the Council of the British Medical Association relating to the bill.

"Care of the Chronic Sick and of the Aged." *British Medical Journal*, London, No. 4450, pp. 617-619. 1s. 6d.

Includes a discussion of hostels and cottage homes for these groups.

CRUICKSHANK, NELSON H. "What Labor Expects from Medicine." *Journal of the South Carolina Medical Association*, Florence, Vol. 42, May 1946, pp. 125-132. \$3 a year.

The reasons why the American Federation of Labor favors the enactment of a compulsory health insurance program.

"Doctors and the National Health Service Bill." *National Insurance Gazette*, London, Vol. 35, Mar. 28, 1946, p. 160. 6d.

Summary of the official statement by the Council of the British Medical Association on the new health bill. This same issue also contains the first of a series of articles analyzing the proposed system.

DODD, PAUL A. "A Method of Making Actuarial Estimates for a Compulsory Health Insurance System." *Journal of the American Statistical Association*, Menasha, Wis., Vol. 41, Mar. 1946, pp. 58-69. \$6 a year.

Suggests a "method of approaching an answer to the question as to how much revenue could be expected to arise under a compulsory health insurance program such as that pro-

posed for California..." by estimating the total and per capita contributions which will be collected.

FISHEIN, MORRIS. "Medicine in the Postwar World." *Kentucky Medical Journal*, Bowling Green, Vol. 44, May 1946, pp. 169-174. 50 cents.

Opposes the adoption of a compulsory medical care insurance program.

GIBBONS, WILLIAM J. "National Health Program." *America*, New York, Vol. 75, June 1, 1946, pp. 168-169; June 8, 1946, pp. 192-193. 15 cents each issue.

Summarizes the provisions of the Wagner-Murray-Dingell bill and discusses voluntary as against compulsory health insurance systems.

GOLDMANN, FRANZ. "Health Bills Pending in Congress." *New England Journal of Medicine*, Boston, Vol. 234, May 16, 1946, pp. 655-660; May 23, 1946, pp. 687-690; May 30, 1946, pp. 727-731; June 6, 1946, pp. 749-752. 25 cents each issue.

Comments on present facilities for medical care, number and distribution of physicians, and amount of unmet medical need, and analyzes the major health bills pending in Congress. In conclusion the author considers the charges of "socialized" and "political" medicine, the attitude of the medical profession, and points out the limitations of voluntary health insurance plans.

"Health Service Bill." *British Medical Journal*, London, No. 4455, May 25, 1946, pp. 817-820; No. 4456, June 1, 1946, pp. 855-860. 1s. 6d. each issue.

Summarizes the debate in the Standing Committee and amendments adopted.

KLEM, MARGARET C. "Medical Care Insurance and the Nurse." *American Journal of Nursing*, New York, Vol. 46, June 1946, pp. 387-390. 35 cents.

Outlines the need for medical care insurance, the extent of protection afforded through present prepayment medical service plans, and the interest of the nursing profession in compulsory health insurance.

"Report of the Interdepartmental Committee on Remuneration of General Practitioners." *British Medical Journal Supplement*, London, No. 4454, May 18, 1946, pp. 143-150. 1s. 6d.

An abridged version of the Committee's report. The Committee, of which Sir Will Spens was chairman, had been instructed to study the incomes of general practitioners in the past and to make recommendations as to what ought to be the range of total professional income.

SHIMBERG, MYRA E. *Health and Employment: A Study of Public Assistance Clients Attending Out-Patient Department Clinics*. New York: National Council on Rehabilitation, 1946. 109 pp. \$2.50.

A study, sponsored by the North Atlantic District of the American Association of Medical Social Workers and the New York City Department of Welfare, of the employability of handicapped persons and their needs for medical care and services. Includes recommendations for modifying existing practices of the out-patient clinics and the Department of Welfare.

SMITH, LUCILLE MARTIN. "Welfare's Concern for the Health of the People." *Bulletin of the American Association of Medical Social Workers*, Chicago, Vol. 19, Apr. 1946, pp. 33-38. 25 cents.

Shows how the changing philosophy of public responsibility for health is reflected in programs established under State public welfare and Federal social security legislation.

"Statement of Principles Relating to Medical Social Aspects of a National Health Program." *Bulletin of the American Association of Medical Social Workers*, Chicago, Vol. 19, Apr. 1946, pp. 23-29. 25 cents.

A statement by the Committee on Medical Economics of the American Association of Medical Social Workers.

SWEDEN. PENSIONSTYRELSEN. *Erkända Sjukvård år 1943*. Stockholm: K. L. Beckmans Boktryckeri, 1946. 80 pp.

Detailed information on Sweden's voluntary health insurance system, which at the end of 1943 covered 41.6 percent of the adult population. Includes data on cases and duration of illness and reports the results of a study to determine whether the demand for care and the cost of services had increased significantly from 1942 to 1944. Contains a summary in French.

"The Taft-Smith-Ball National Health Bill; Analysis of S. 2143." *Journal of the American Medical Association*, Chicago, Vol. 131, May 25, 1946, pp. 338-341. 25 cents.

An analysis by the Bureau of Legal Medicine and Legislation of the AMA.

U. S. BUREAU OF LABOR STATISTICS. *Postwar Outlook for Physicians*. Washington: U. S. Govt. Print. Off., 1946. 21 pp. (Bulletin No. 863.)

Data on prewar and wartime number and distribution of physicians and probable postwar trends in demand and supply.







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## Periodicals

*Social Security Bulletin.* Monthly. Subscription price, \$1.50 in United States, Canada, and Mexico; \$2.25 in all other countries. Single copies, 15 cents.

*Annual Report of the Federal Security Agency; Section V, Social Security Board, 1945.* 25 cents.

*Social Security Yearbook, 1944.* (Sixth annual supplement to *Social Security Bulletin*.) 50 cents.

*Unemployment Compensation Interpretation Service—The Benefit Series.* Bureau of Employment Security. Monthly. Subscription price, \$3.50 a year; single copies, 30 cents.

*Employment Security Activities.* Bureau of Employment Security. Monthly. Processed.

*Insured Unemployment.* (A new publication giving statistics on the volume of insured unemployment.) Bureau of Employment Security. Weekly. Processed.

*Comparative Statistics of General Assistance Operations of Public Agencies in Selected Large Cities.* Bureau of Public Assistance. Monthly. Processed.

*Reasons for Opening Cases for Assistance.* Bureau of Public Assistance. Monthly. Processed.

## Reports

*Suitable Work—Recommended Policies on Refusal of Work During Reconversion.* Bureau of Employment Security.

*Special Postwar Problems of Women Claimants.* Bureau of Employment Security.

*Women Claimants—Problems in Determining Availability and Suitable Work.* Bureau of Employment Security.

*Unemployment Insurance and the Retraining of Unemployed Workers.* Bureau of Employment Security.

*Families Receiving Aid to Dependent Children, October 1942. Part I. Race, Size, and Composition of Families and Reasons for Dependency.* Bureau of Public Assistance.

*The Social Service Exchange.* Bureau of Public Assistance.

*Money Payments to Recipients of Old-Age Assistance, Aid to Dependent Children, and Aid to the Blind.* Bureau of Public Assistance.

*Public Assistance for Restricted Persons During the Second World War.* Bureau of Public Assistance.

*The Functions of Medical Social Work in Departments of Health and Welfare.* Bureau of Public Assistance.

*Public Assistance Developments Set New Goals for Staff Training.* Bureau of Public Assistance.

*Selected Bibliography on Medical Economics.* Bureau of Research and Statistics.

*Scope of Protection Under State and Local Government Retirement Systems.* Bureau of Research and Statistics.

Pamphlets explaining the social security programs and the rights of individuals under these programs are available in limited quantities from the Administration's regional and field offices or from Informational Service, 1825 H Street, Washington 25, D. C.

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